



INTRODUCTION

LEGISLATIVE SCHEDULE

The schedule of this long session continues to be driven by the ongoing cross-chamber budget negotiations, which appear to continue to be hung up over the overall tax package and how much of our state's reserves should be spent. As a reminder, earlier this session leaders in the House and Senate predicted having a budget deal done and to the Governor by June 15th, and this year's "long" session adjourned by the end of this week (in other words, today). Given the current stalemate those rosy predictions are long forgotten, and some members are saying publicly they are planning to be in session through July, August and perhaps into September. Regardless of which month will actually see the end to this session, it will definitely not be June. Next week, the legislature will take a week off in recognition of July 4th. After near-constant budget meetings for weeks on end, some time away from the negotiating table might help the conferees break through the stalemate upon their return. Senate leader Berger told reporters this week that he expects the earliest the chambers could have an agreed-upon budget would be the week of July 24th.

VETO OVERRIDES

The General Assembly has now overridden all eight of the vetoes Gov. Cooper has issued this session. This week, the House took up the veto override vote on four finance-related bills. Like the Senate last week, the House successfully overrode the vetoes of all four bills: Senate Bills 299, Reimburse Late Audit Costs with Sales Tax Rev., 331, Consumer Finance Act Amendments, Senate Bill 364, Nondiscrim & Dignity in State Work, and Senate Bill 329, Retail Installment Sales Act Amendments. Both the House and Senate voted this week to also override the Governor's veto of the North Carolina Farm Act of 2023.

MOORE V. HARPER RULING

In a 6-3 decision, the US Supreme Court rejected North Carolina Republican Leaders' theory that the elected body of the General Assembly should have the sole authority to pass elections-related laws and redraw district lines without state courts weighing in and striking them down. The Court disagreed, holding that the US Constitution "does not insulate state legislatures from the ordinary exercise of state judicial review."



NORTH CAROLINA COLLEGE OF EMERGENCY PHYSICIANS



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This highly anticipated ruling has gained national attention. While this is not the decision North Carolina Republicans had hoped for, it does not change the legislature's plan to redraw congressional and state legislative maps this fall. The congressional map drawn by the legislature last year was struck down by the then Democrat majority state Supreme Court, and a map created by third-party experts hired by the court was used instead during the past election. Any court-made map can only be used for one election cycle, so the legislature will be keeping with their plan to redraw the map ahead of 2024. The map used in 2022 resulted in a 50/50 split of congressional seats going to Republicans and Democrats. The map proposed originally by the legislature would have likely given Republicans an advantage, with experts suggesting the map would result in a 10-4 or 11-3 split. Any challenges of maps created this fall would go to our now Republican majority state Supreme Court.

ABC OMNIBUS BILL

A new ABC omnibus bill was unveiled this week in the House Alcoholic Beverage Control Committee for discussion only. The bill would make a variety of changes to alcohol-related policies in our state, including:

- allowing local governments to choose if their ABC stores can operate on Sundays and if happy hours are allowed;
- allowing the sale of to-go and delivery sales of mixed beverages, which was implemented as a temporary Executive Order during the Coronavirus State of Emergency;
- raising the cap on point-of-sale advertising materials to \$600 for beer and wine and \$1,000 for distillers to local ABC boards;
- allowing mixed beverage permittees to purchase liquor from any designated ABC store in the same county;
- providing that after 90 days a temporary ABC permit would be deemed a full permit and establishing a safe harbor period lasting until June 1 of each year, during which applicants can renew their permits late for a fee; and
- making a technical correction to the definition of a "bar" enacted in 2022, allowing the definition to include a "brewery, winery, or distillery" as it has previously, ensuring that they all have access to the mixed-beverage permit often held by these entities;

The bill will next be heard in the House ABC Committee for a vote.

MEDICAL MARIJUANA BILL

House Republicans have caucused at length over where the majority of their members stand on Senate Bill 3, the Compassionate Care Act. The concern last session was that the House Republican caucus was too split over this issue to move it forward. Now, the ball's in their court again, and it seems that more members are in support of this measure than before. Nonetheless, there is still strong pushback against the measure or at least against it as currently written. It would seem that these differing opinions have slowed the medical marijuana bill down to a halt, with reporters suggesting that the bill will likely not be taken up again until the short session.

That idea appears to be unacceptable to bill sponsor and Senate Rules Chairman Bill Rabon. The bill is currently stalled out in House Health, where it has been taken up for discussion only earlier this session. During Wednesday's voting session, Sen. Rabon pulled an unusual move to a noncontroversial Physician Assistant bill sponsored by House Health Chairs: Reps. Lambeth, Baker, White, and Sasser. Sen. Rabon proposed an amendment to the bill that stated that the Act would only become effective, if, and on the date that, Senate Bill 3 becomes law. If Senate Bill 3 does not become law, the Act would be voided and have no effect. The amendment passed 36-8, with all of Sen. Rabon's Democratic colleagues voting for the measure. Catching up with reporters following session, Sen. Rabon didn't say whether he'd add this to other House bills, as well.

"Maybe some folks will kind of look up and pay attention now. We have work to be done, we don't need to stonewall."

BILLS OF INTEREST

SENATE BILL 754, General Assembly Appointments, would appoint persons to various public offices upon the recommendation of the President Pro Tempore of the Senate, including:

- Effective January 1, 2024, James Gussler, Jr., of Caswell County is appointed to the North Carolina Emergency Medical Services Advisory Council for a term expiring December 31, 2027.
- Effective January 1, 2024, Dr. Patricia A. Pfeiffer of Wayne County, Patricia A. Markus of Wake County, and Dr. Perrin Jones of Pitt County are appointed to the North Carolina Institute of Medicine Board of Directors for terms expiring December 31, 2027.
- Effective July 1, 2023, Sheriff Pete Herron of Montgomery County is appointed to the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services for a term expiring June 30, 2026.
- Effective July 1, 2023, The Honorable Benton Sawrey of Johnston County, The Honorable James Burgin of Harnett County, The Honorable Steve Jarvis of Davidson County, Dr. Lindsey H. Maslow of Orange County, Leatrice Martin of Durham County, Adrienne G. Calhoun of Guilford County, Dr. David Y. Huang of Orange County, and Douglas A. Schiller of Pitt County are appointed to the Justus-Warren Heart Disease and Stroke Prevention Task Force for terms expiring June 30, 2025.
- Effective July 1, 2023, Brandon W. Leebrick of Rockingham County and William W. Nelson of Wake County are appointed to the Rules Review Commission for terms expiring June 30, 2025.
- Effective October 1, 2023, Christine J. Fernandini of Harnett County, Rose J. Randall of Moore County, and Laurie T. Stickney of Wake County are appointed to the North Carolina Brain Injury Advisory Council for terms expiring September 30, 2027.
- Effective January 1, 2024, Kelly L. Cobb of Caswell County, Charles C. Heald of Durham County, and Amanda A. Mixon of Wake County are appointed to the License to Give Trust Fund Commission for terms expiring December 31, 2025.
- If Senate Bill 3, 2023 Regular Session, becomes law, then Dr. Gary G. Gammon of Moore County and Dr. Michael P. Moulton of New Hanover County are appointed to the North Carolina Compassionate Use Advisory Board for terms beginning July 1, 2023, and expiring June 30, 2027.
- If Senate Bill 3, 2023 Regular Session, becomes law, then Steve Windham of Brunswick County is appointed to the North Carolina Medical Cannabis Production Commission for a term beginning July 1, 2023, and expiring June 30, 2027.

Introduced by Senator Rabon and referred to the Senate Rules Committee. The bill was approved by the Senate Rules Committee and, after amendments on the Senate floor, the full Senate. The bill will next be considered by the House Rules Committee.

BILL UPDATES

HOUSE BILL 75, PA Team-Based Practice, was amended by the Senate to prohibit the bill from becoming effective unless Senate Bill 3, NC Compassionate Care Act, an unrelated bill legalizing the use of medical marijuana, becomes law. The current language of House Bill 75 was otherwise unchanged. **The bill passed the Senate and is in the House for approval or disapproval of the Senate changes.**

HOUSE BILL 125, NC Health & Human Services Workforce Act, was amended by the Senate to strengthen the requirements for when a physician may receive an “internationally-trained physician employee license” in North Carolina as follows:

- the supervising physician at a rural medical practice, instead of only being licensed in North Carolina, must also physically practice on-site at the rural practice, and the Medical Board shall adopt rules pertaining to adequate supervision;
- the applicant for licensure, instead of only completing medical school listed in the World Directory of Medical Schools, must have completed 130 weeks of medical education at a medical school in the directory and be eligible for certification by the Educational Commission for Foreign Medical Graduates;
- adds that the applicant must have “actively” practiced medicine in the applicant’s country of licensure; and
- adds the cessation of employment at a rural medical practice to the reasons an internally-trained physician license shall become inactive.

The amendment also changes the authorization for an optometrist to register with the Board of Pharmacy to dispense certain drugs to a directive to register in order to dispense drugs. **The bill was approved by the Senate and will next be considered by the House for approval or disapproval of the Senate changes. This bill includes language requested by NCCEP to address violence in the emergency department. We expect this bill to be sent to a conference committee between the House and the Senate where we have requested that changes be made to make those provisions stronger.**

HOUSE BILL 190, Dept. of Health and Human Services Revisions, was further amended to address the recent change to abortion laws. A previous amendment had required the consent form a pregnant woman must sign to contain whether the abortion is covered by the pregnant woman’s insurance. This new amendment requires the consent form to contain whether the physician accepts the pregnant woman’s insurance. Amendments further strengthen the requirements of the consultation during which the physician performing an abortion describes the information in the consent form to the patient. The changes specify that the consultation must be in person, conducted by a qualified professional or physician, and the physician must be available to ask and answer questions within the 72-hour statutory time frame upon request of the patient or the qualified professional.

Other amendments extend the authorization for the State Health Director to issue statewide orders concerning the administration of COVID-19 vaccinations and diagnostic tests for one year to December 31, 2024. They also make changes as follows to the state employee parental leave law:

- adds probationary and time-limited employees to eligibility for paid parental leave;
- increases the maximum amount of paid parental leave from four to eight weeks when an employee gives birth and from two to four weeks for other means of becoming a parent;
- directs the State Human Resources Commission to develop rules and policies for a period of minimum service before an employee is eligible for leave, the maximum number of uses of leave in a 12-month period, and how much leave is provided for a miscarriage or death of a child during birth;
- clarifies that parental leave eligibility applies to state employees, public school employees, and community college employees, but not to judicial or legislative employees;
- directs the Department of Public Instruction to pay for substitute teachers for any public school teacher using paid parental leave;
- changes the appropriation purpose in the original law from funding parental leave to funding substitute teachers for teachers on parental leave.

The amended bill was approved by the Senate and received House approval of Senate changes; it now goes to the Governor for his consideration.

HOUSE BILL 721, State Precious Metals Depository Study, was amended in the House Rules Committee to direct the Department of State Treasurer to study:

- the process of acquiring, securely storing, insuring, and liquidating any investment metal bullion, such as gold, and virtual currency, such as Bitcoin, that may be held on behalf of the State;
- the expected impact of allocating a portion of the General Fund to investment metal bullion and virtual currency to hedge against inflation and systemic credit risks, reduce overall portfolio volatility, and increase portfolio returns over time; and
- the costs, benefits, and security of utilizing a privately managed depository or another state's depository or creating a State-administered depository in North Carolina to serve as the custodian, guardian, and administrator of certain investment metal bullion and virtual currency that may be transferred to or otherwise acquired by this State or an agency, a political subdivision, or another instrumentality of this State and to provide a repository for investors to use for such assets.

The Department of State Treasurer would report the results of the study, along with any legislative or other recommendations, to the Joint Legislative Commission on Governmental Operations by January 1, 2024. **The bill as amended was approved by the House Rules Committee and the full House and will next be considered by the Senate Rules Committee.**

HOUSE BILL 748, Child Abuse and Other Criminal Law Changes, was amended by the Senate Judiciary Committee to establish the following new felonies for exposing a child to a *controlled substance* (defined as a controlled substance, controlled substance analogue, drug, marijuana, narcotic drug, opiate, opioid, opium poppy, poppy straw, or targeted controlled substance):

- Class H felony to knowingly, recklessly, or intentionally cause or permit a child to be exposed to a controlled substance;
 - Class E felony to knowingly, recklessly, or intentionally cause or permit a child to be exposed to a controlled substance, and as a result the child ingests the controlled substance;
 - Class D felony to knowingly, recklessly, or intentionally cause or permit a child to be exposed to a controlled substance and as a result the child ingests the controlled substance, resulting in serious physical injury;
 - Class C felony to knowingly, recklessly, or intentionally cause or permit a child to be exposed to a controlled substance and as a result the child ingests the controlled substance, resulting in serious bodily injury; and
 - Class B1 felony to knowingly, recklessly, or intentionally cause or permit a child to be exposed to a controlled substance and as a result the child ingests the controlled substance, and the ingestion is the proximate cause of the death.
- would apply to offenses committed on or after December 1, 2023.

The bill as amended was approved by the Senate Judiciary Committee and will next be considered by the Senate Rules Committee.

HOUSE BILL 750, Address ESG Factors. This bill that would address the use of environmental, social, and governance criteria by State agencies and State Pension Plan fiduciaries was vetoed by the Governor on June 23rd. In his veto, the Governor states, “This bill does exactly what it claims to stop. For political reasons only, it unnecessarily limits the Treasurer's ability to make decisions based on the best interest of state retirees and the fiscal health of the retirement fund.” **Both the House and Senate voted to override the veto, and the bill became law on June 27th notwithstanding the Governor’s objections.**

SENATE BILL 582, North Carolina Farm Act of 2023. This bill makes various changes to the agricultural and wastewater laws of this state and was vetoed by Governor Cooper on June 23rd. His veto reads, “The provision in this bill that severely weakens protection for wetlands means more severe flooding for homes, roads and businesses and dirtier water for our people, particularly in eastern North Carolina. This provision coupled with the drastic weakening of federal rules caused by the U.S. Supreme Court's recent decision in the Sackett case, leaves approximately 2.5 million acres, or about one half of our state's wetlands, unprotected. The General Assembly has allocated tens of millions of dollars to protect the state from flooding and my administration is working to stop pollution like PFAS and other contaminants. This bill reverses our progress and leaves the state vulnerable without vital flood mitigation and water purification tools.” **Both the House and Senate voted to override the veto, and the bill became law on June 27th notwithstanding the Governor’s objections.**

GOVERNOR’S VETOES

The Governor vetoed the following bills which were all quickly overridden by the House and Senate chambers.

- Senate Bill 299, Reimburse Late Audit Costs with Sales Tax Rev (Read the veto [here](#))
- Senate Bill 329, Retail Installment Sales Act Amendments (Read the veto [here](#))
- Senate Bill 331, Consumer Finance Act Amendments (Read the veto [here](#))
- Senate Bill 364, Nondiscrim & Dignity in State Work (Read the veto [here](#))

These vetoes all were overridden by the House and Senate and these bills are now law.

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