

## North Carolina Legislative Update, May 24, 2019

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Senate appropriators worked on the budget bill behind closed doors this week and both houses considered a variety of bills prior to leaving for the Memorial Day holiday.

### **Budget Bill ([H966](#))**

After passing the House on May 3, the budget bill is now before the Senate. Senate leaders are expected to release the bill on Tuesday and pass it through the chamber by the end of the week.

### **Senate Tax Reform ([S622](#))**

The Senate this week passed a bill that changes a number of tax laws. Many of its provisions are similar to those in the budget bill already passed by the House. The Senate vote on the bill was largely divided along party lines with most Republicans voting in favor and most Democrats voting against.

Among other things, the bill increases the standard deduction, reduces the franchise tax on businesses, obligates “marketplace facilitators” (such as eBay) to collect and remit sales tax, extends sunsets by four years for the historic rehabilitation tax credit, the motor sports team sales tax exemption and refund, and the sales tax exemption for aviation fuel sold to interstate air businesses. It also provides tax relief to out-of-state businesses that perform disaster-related work during a disaster response period at the request of a public utility or public communications provider.

### **Regulatory Reform ([S553](#))**

A bill continuing various regulatory changes began to move in the Senate this week. Such bills are usually considered every session. The current version would, among other things, lift a ban on the disposal of discarded computers and televisions in landfills. Opponents of this provision argued that it would be better to study revising the e-recycling law to reflect changes in the market for such materials; a provision to do just that has already passed the House in the budget bill. The bill now goes to the Senate Rules committee.

### **Craft Beer Brewer Distribution ([H363](#))**

A bill to raise the distribution cap for North Carolina craft beer brewers passed the General Assembly this week and will

now be considered by Governor Roy Cooper. The bill, which addresses differences between craft brewers and the North Carolina Beer & Wine Wholesalers Association, allows a craft brewery annually to sell, deliver, and ship up to 50,000 barrels of its product at wholesale to unaffiliated retail permit holders.

**Gaming Commission and Fantasy Sports [\(H929\)](#)**

The House Commerce Committee on Wednesday passed a bill which would create a North Carolina Gaming Commission to, among other things, regulate fantasy sports companies such as FanDuel and Draft Kings. Under the bill, fantasy sports would not be considered “gambling.” The bill also directs the Commission to study sports betting, which pursuant to a recent United States Supreme Court decision, is allowed in some states but not in North Carolina. The General Assembly has considered similar bills in recent sessions but has not enacted them.

For more information, contact a member of the Brooks Pierce Government Affairs Team, linked below.