

Brooks Pierce Capital Dispatch: Updates from the NC General Assembly and Governor's Office, November 12, 2021

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The General Assembly held no vote sessions this week as budget negotiations continue, while in Washington D.C. legislation was enacted that will have a major impact on future state budgets and investments.

Budget Bill

Legislative leaders and Gov. Cooper, along with their staffs, continued to discuss the proposed biennial budget bill (S 105) behind closed doors this week. Press reports suggest that significant issues remain unresolved and legislative leaders have indicated a vote on the bill could occur during the week of Nov. 15 with or without an agreement with the Governor. In addition, a state court judge this week issued a ruling in the Leandro case (a long-running case dealing with school funding) directing executive branch officials to appropriate \$1.7 billion for K-12 education without legislative action. His order is stayed for 30 days. Legislative leaders disagree with this ruling and appeal of it is likely.

Federal Infrastructure Package

Late last week, the U.S. House passed HR 3684, the Infrastructure Investment and Jobs Act, by a vote of 228-205. The bill will invest \$550 billion in new infrastructure funding over the next five years with \$100 billion for road construction, \$65 billion for expanding internet broadband, \$47.2 billion for climate resiliency initiatives (flooding and ecosystem restoration), and \$7.5 billion for electric vehicle infrastructure. President Biden is expected to sign it into law next week.

The new law will bring over \$9 billion to North Carolina. The state's share will include \$7.2 billion for highway repairs, \$457 million for bridge replacement, \$911 million for enhanced transit services, \$109 million for electric vehicle charging station deployment and over \$100 million for broadband expansion.

Some Notable Pending Bills

In addition to the significant funding and policy issues that will likely be addressed in the budget bill (S 105), a number of other notable bills are awaiting action. Among those are:

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- S 688, which would authorize sports wagering—Senate has passed; House Commerce Committee passed the bill and the bill has been referred to House Judiciary 1. It is uncertain whether the bill will be considered further during 2021.
- H 954, which would authorize and regulate video lottery terminals—House Commerce Committee has passed; pending in House Finance Committee
- S 711, which would authorize the use of marijuana for certain medical purposes—Three Senate committees have passed it; pending in Senate Rules Committee

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