

# New Year Dawns with Elections and January Legislative Session

01.06.2020

As 2020 begins, activity in Raleigh resumes at a fast pace. Candidate filing for 2020 elections ended in December and Legislators return to Raleigh on Jan. 14.

## 2020 Elections

This will be a very active election year. North Carolina voters will vote for federal offices (President, the US Senate seat currently held by Republican Senator Thom Tillis, and all 13 US House seats) and State offices (10 statewide elected Council of State offices including Governor, 3 State Supreme Court and 5 Court of Appeals seats, and all 170 Legislative seats). Primary elections are on March 3 with the General election on Nov. 3.

As in recent election cycles, contests for key offices are expected to be competitive. These include the race for President, the Tillis US Senate seat, and some of the US House races including two redrawn districts in the 2<sup>nd</sup> (parts of central and eastern North Carolina) and 6<sup>th</sup> (parts of northern North Carolina) districts. Among the State Supreme Court races is the Chief Justice seat. The Legislative elections will determine if Republicans retain their majorities in both chambers.

## January Legislative Session

### *Appropriations bills*

During the session beginning on Jan. 14, Legislators may consider a variety of topics including appropriations, transportation, and health care. The budget bill (H966) passed by the General Assembly in late June is still pending in the Senate, which has yet to schedule a veto override vote. The House overrode Governor Roy Cooper's veto on Sept. 11.

Given that H966 has not yet become law, Legislators in the last months of 2019 passed 17 topic-specific "mini-budget" bills. Most contained provisions directly from H966, passed by large margins, and were signed into law by Governor Cooper. These bills covered a variety of topics including transportation, storm relief, school safety, and community colleges.

Funding for a number of significant areas remains unresolved given Governor Cooper's vetoes of certain appropriations bills. These include educator salary increases, funds for the Department of Information Technology and some technology projects, and funds to implement the State's move to Medicaid managed care.

### *Tax Bills*

Some notable tax bills remain under consideration at the General Assembly. One is S578, which would reduce the franchise tax rate for businesses and expand the Film and Entertainment Grant Fund. Governor Cooper vetoed this bill, which passed largely on party lines. Another bill, H74, which would provide a tax refund to most individual tax payers has passed the Senate and is pending in the House Finance Committee.

Two other tax bills were enacted late in 2019. They are H399, which extends the tax credit for historic rehabilitation and favorable sales tax treatment for motorsports teams and commercial airlines and also expands the tax credit for mill rehabilitation, and S557, which contains a number of provisions from bills considered earlier in the session including raising the standard deduction, enacting market-based sourcing for multistate income tax apportionment for certain businesses, and requiring “marketplace facilitators” (such as Amazon and eBay) to collect and remit sales taxes under certain circumstances.

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

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