

North Carolina Legislative Update, June 23, 2017

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This week the General Assembly gave final approval to the two-year state spending plan and heard various bills as rumors of adjournment started to stir.

Budget (SB257)

This week the House and Senate passed the final version of the 2017 Appropriations bill. The Senate voted 38-11 Wednesday afternoon while the House voted 77-38 Thursday to adopt the conference report (5 House Democrats and 3 Senate Democrats crossed party lines to vote in favor of the bill). The budget's appropriations total roughly \$23.03 billion, representing a 3% increase from the current fiscal year. The bill will now go to the Governor, who may veto the measure.

Budget Highlights:

- An average of 3.3 percent pay raise for teachers
- State employees receive a \$1,000 pay raise
- One percent cost-of-living increase for retired state employees
- Reduces the personal income tax rate from 5.499 percent to 5.25 percent
- Raises the standard deduction from \$17,500 to \$20,000 for married couples filing jointly
- Reduces the corporate income tax rate from 3 percent to 2.5 percent
- Reduces the UNC School of Law budget by \$500,000
- Adds \$363 million to the state's rainy day fund
- \$5.78 million for downtown revitalization grants
- A "raise the age" provision to bring 16 and 17 year olds in the juvenile justice system and \$13.2 million to build a juvenile detention facility in Rockingham County
- \$10,027,276 cut to the Department of Justice, roughly 11 percent of its overall budget
- \$320 million to STIP for 100 additional highway projects to be added over the next 10 years
- \$241 million to improve bridges and \$143 million to improve road conditions
- \$100 million in additional Hurricane Matthew recovery funding

The STOP Act (H243)

A bill that seeks to remedy the state's opioid crisis passed the Senate this week and will now be sent to a conference committee to work out differences between the House and Senate versions.

Among other provisions, the bill would strengthen North Carolina's opioid misuse prevention laws, create a software program to track controlled substance prescriptions and use, establish substance abuse treatment programs statewide, and allocate funds for the purchase of additional emergency antidote drugs.

Brunch Bill (S155)

This week, the House Committee on Alcoholic Beverage Control passed a version of the "brunch bill" that, in addition to authorizing restaurants to sell alcohol beginning at 10am on Sundays, includes language that would allow retail stores to make Sunday morning alcohol sales. It would also allow craft distilleries to sell up to five bottles of their liquor to visitors touring their facility. The bill will need to be heard in the Finance Committee before heading to the House floor.

Adjournment

Thursday, House Speaker Tim Moore announced plans to adjourn by July 1st and told members to plan for late nights next week. Senate Rules Chairman Bill Rabon also expressed the Senate's intention to adjourn by the July 4th holiday weekend.

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

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