

North Carolina Legislative Update, January 14, 2020

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After holding a one-day session in Raleigh on Jan. 14, North Carolina Legislators have left town and will return on April 28.

Budget Bill

An impasse over the budget bill ([H1966](#)) was not resolved this week as the Senate did not seek to override Governor Roy Cooper's veto. The House overrode the veto on Sept. 11, 2019.

Funding for a variety of State-funded programs and initiatives continues pursuant to State law extending most appropriations at the FY19 level and after enactment in late 2019 of 17 topic-specific "mini-budget" bills.

Unresolved appropriations issues include educator salary increases (the Senate this week failed to override the Governor's veto of [S354](#) on this topic), funds for the Department of Information Technology and some technology projects, and funds to implement the State's move to Medicaid managed care.

Other Bills

Legislators passed and sent to the Governor a bill ([S560](#)) that funds a scholarship program for children of wartime veterans. A bill ([S622](#)) to reduce the threshold amount for medical expense deductions passed the House but was not considered by the Senate. The Senate failed to override Governor Cooper's veto of [S553](#), the Regulatory Reform Act of 2019.

April Session

When Legislators return on April 28, they will be in the so-called "short" session held in even-numbered years and which traditionally has focused on adjusting the second year of a two-year budget. Since no budget bill was enacted for the first year of the biennium (FY20), it is uncertain whether the General Assembly will craft a budget bill for FY21 or continue spending under the FY19 levels and mini-budget bills enacted up to this point.

In addition, Legislators may consider some tax bills in April that have not been passed. One [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.

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