



July 8, 2025

Old North State Report – July 8, 2025

UPCOMING EVENTS

July 16-July 18, 2025

[North Carolina Healthcare Association Summer Meeting](#)

July 20-22, 2025

[Association of Executives of North Carolina \(AENC\) Annual Meeting](#)

October 9-10, 2025

[Association of Executives of North Carolina \(AENC\) Fall Conference](#)

November 13, 2025

[Women Lead NC](#)

LEGISLATIVE NEWS

NC LAWMAKERS FUND RECOVERY, STALL ON BUDGET

When the North Carolina General Assembly began its 2025 session in January, lawmakers appeared united around two major goals: delivering more hurricane recovery aid to the western mountains and passing a new two-year state budget. The urgency was clear, especially after the region endured the deadliest storm in state history. However, as the months passed, political divisions and procedural gridlock derailed both efforts.

After six months of negotiations, lawmakers finally reached a deal on hurricane relief, approving an additional \$500 million in aid. This brought the total state funding for storm recovery to \$1.9 billion, including previous packages passed in March and the prior fall. Republican leaders emphasized that disaster relief remained their top priority, though they also expressed caution about overspending or duplicating federal aid. As a result, some proposed programs — like grants for small businesses — were left out, frustrating Democrats who supported the aid but wanted broader investment.

The budget, however, proved far more contentious. Despite Republican control of both chambers, the House and Senate were unable to agree on key issues, particularly regarding tax policy and public employee compensation. Senate Republicans, led by Phil Berger, insisted on maintaining scheduled income tax cuts. At the same time, House Republicans, under new Speaker Destin Hall, argued that adjustments were needed to avoid future budget shortfalls. The two sides also clashed over raises for teachers and state workers, with the House proposing salary increases alongside a 20% cut in vacant state jobs — an idea the Senate rejected outright.

As the July 1 fiscal deadline passed, the legislature had not passed a new budget. The government will continue operating under existing funding levels, but new projects are on hold, and public employees will not receive raises. In a last-ditch effort, both chambers introduced “mini-budgets” to fund select priorities, but these too failed amid mutual rejection.

Governor Josh Stein also weighed in, calling for a full, fiscally responsible budget to address the state’s urgent needs. After months of restraint, Stein began issuing vetoes on other contentious bills, setting up potential override battles in the coming months. While Senate Republicans likely have the votes to override, the House GOP is one vote short of a supermajority and will need to tread carefully.

In the end, the session highlighted deep philosophical divides within the Republican Party and between the parties overall. While disaster relief was ultimately delivered, the failure to pass a budget leaves North Carolina in a state of uncertainty, with critical funding decisions unresolved and political tensions still simmering.

[Read more by NC Newsline](#)

GOVERNOR VETOES REINS ACT

Governor Josh Stein vetoed the REINS Act ([House Bill 402](#)), which is supported by businesses across various states. This legislation would require state lawmakers to vote on any new regulation that could cost businesses as little as \$20 million over five years. Even less costly rules could need unanimous approval from state commissions, impacting decision-making processes without needing legislative approval.

Stein’s [veto message](#) expressed concerns that the bill would hinder the state’s ability to regulate pollution, protect drinking water from harmful chemicals, and ensure high-quality healthcare. He criticized the bill for adding unnecessary bureaucracy, which would reduce the effectiveness of agencies responsible for public health and safety. Supporters of the REINS Act argue it would lower costs for businesses, potentially benefiting residents by easing financial burdens related to inflation.

Critics of the bill argue it undermines public health and safety regulations and is unconstitutional. They believe regulation should remain under the control of elected officials accountable to voters.

The REINS Act is part of a broader national effort by pro-business groups to limit government oversight, with similar proposals introduced in other states and Congress. It has already been enacted in Utah and Florida.

[Read more by WRAL News](#)

GOVERNOR SIGNS 37 BILLS INTO LAW, VETOES 7

As of Friday, July 1, Governor Josh Stein has [signed 37 bills](#) into law. Among those are:

House Bill 47 – [Disaster Recovery Act of 2025-Part I](#)

House Bill 74 – [House Budget Technical Corrections](#)

House Bill 91 – [Define Armed Forces/Religious Property Tax Exclusion](#)

House Bill 506 – [2025 State Investment Modernization Act](#)

House Bill 576 – [Department of Health and Human Services Revisions](#)

House Bill 612 – [Fostering Care in NC Act](#)

House Bill 737 – [DOI Omnibus Bill](#)

House Bill 1012 – [Disaster Recovery Act of 2025-Part II](#)

Within the last two weeks, the Governor has vetoed four bills. Republican lawmakers are determined to override vetoes on bills that would increase cooperation between state law enforcement and U. S. Immigration and Customs Enforcement ([House Bill 318](#) and [Senate Bill 153](#)) and allow concealed carry of handguns without a permit ([Senate Bill 50](#)). However, they could not vote on these due to absences. Stein also vetoed a bill requiring legislative oversight of certain regulations ([House Bill 402](#)), as summarized above.

On Wednesday, July 2, Stein vetoed three additional bills. [Senate Bill 254](#) limits the power of the State Board of Education and State Superintendent over North Carolina's charter schools and requires charter school rules to be approved by the N. C. Charter Schools Review Board; [Senate Bill 266](#) that contains a series of proposed changes to energy policy; and [House Bill 549](#) which expands the power of Republican State Auditor Dave Boliek to investigate private people, business and nonprofits.

The vetoes have created additional political conflicts between the Republican-controlled state legislature and the Democratic governor.

[Read more by The News & Observer](#)

[Read more by WRAL News](#)

NEW LAWS TO TAKE EFFECT JULY 1

A new set of laws took effect in North Carolina on July 1, bringing changes that affect drivers, rideshare users, vacation rental hosts, and workers.

Drivers now face higher auto insurance requirements, with minimum coverage limits increasing significantly for the first time in decades. This change is expected to raise premiums, especially for those with basic coverage. Additionally, new drivers may face insurance surcharge penalties for up to eight years instead of the previous three.

Rideshare and taxi passengers will notice a new transportation tax on their receipts — 1.5% for solo rides and 1% for shared ones. This tax even applies if a ride is canceled after boarding and is intended to support the state's highway infrastructure.

Vaping regulations have also tightened. Retailers must now be licensed, and only FDA-approved or pending vape products are allowed for sale. This law aims to curb access to unregulated products, particularly among minors.

Vacation rental hosts and their staff are now required to complete human trafficking awareness training before listing properties. The training must be renewed every two years, and violations can result in fines of up to \$2,000.

Finally, a major shift in employment law bans non-compete and non-poaching agreements for workers earning less than \$75,000 annually. This change is designed to give employees more freedom to change jobs or be recruited by competitors, especially in industries like hospitality, healthcare, and retail.

[Read more by MSN](#)

WHAT WE'RE LISTENING TO

- [Under the Dome Podcast](#)
- [Do Politics Better Podcast](#)
- [WUNC Politics Podcast](#)
- [Carolina Newsmakers Podcast](#)
- [NC Capitol Wrap Podcast](#)

WHAT WE'RE READING

- [Asheville Citizen Times](#)
- [Carolina Journal](#)
- [Charlotte Observer](#)
- [Fayetteville Observer](#)
- [Greensboro News & Record](#)
- [NC Insider](#)
- [New Bern Sun Journal](#)
- [News & Observer](#)
- [North State Journal](#)
- [Our State Magazine](#)
- [Triangle Business Journal](#)
- [Under the Dome](#)
- [Wilmington Star News](#)
- [Winston-Salem Journal](#)
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