



June 6, 2025 | [nclm.org](https://nclm.org)

## State Budget Negotiations Take Incremental Steps

State House and Senate budget negotiations took incremental steps this week after the Senate officially rejected the House version of the budget Tuesday. The Senate's vote not to concur with the House version of [SB 257 2025 Appropriations Act](#) set up the conference process, a [committee](#) that will meet to resolve differences between the two chambers' proposals. Legislative observers expect those meetings to take place over the next few months, pushing past the typical June 30 fiscal year-end deadline and into the fall. The current year budget would remain in place if SB 257 is not finalized by the start of the next fiscal year, avoiding a government shutdown.

Republican legislative leaders appointed numerous Democrat legislators to the conference committee, including House Democratic Leader Robert Reives. In total, 71 Republicans and nine Democrats were appointed to the committee, suggesting a possibility of bipartisan agreement on the ultimate compromise.

As both budget versions continue to get unpacked, media outlets have taken the opportunity to highlight specific provisions of importance to cities and towns. Here are two examples of articles focusing on proposed cuts to the Powell Bill program and the Workforce Housing Loan Program.

7 NC cities could lose state money for street maintenance this year (WUNC)  
Advocates alarmed over proposed cuts to workforce housing loan  
program(NC Newsline)

As budget negotiations stretch out, city and town officials urge negotiators  
to restore funding for these and many other critical community needs.

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## Legislators Continue Debate on Immigration Bills

Proposals related to immigration are winding their way through the  
legislative process, setting up a conflict between Republican lawmakers and  
Governor Josh Stein.

The most prominent proposal is [SB 153 North Carolina Border Protection  
Act](#), a measure that requires state law enforcement agencies to cooperate  
with federal immigration officials and prohibits noncitizens from receiving  
state-supported benefits, such as housing, food, and unemployment  
support.

Of particular importance for municipalities, SB 153 would remove  
governmental immunity from those that enact “sanctuary city” policies, a  
provision described by bill supporters as an “incentive” for local government  
compliance. Existing law already prohibits a municipality from operating in a  
manner traditionally defined as a “sanctuary city,” but removing  
governmental immunity would be a significant new consequence attached  
to the failure to comply.

Also noteworthy is that SB 153 is sponsored by Senate leader Phil Berger, a  
departure from the traditional approach of Senate leaders not personally  
sponsoring legislation. SB 153 was passed by the House this week,  
following its approval by the Senate in March. Due to the changes made by  
the House, the bill must return to the Senate for concurrence. Once  
approved by the Senate, the bill will be sent to the Governor, who will have  
10 days to decide whether to sign it, veto it, or allow it to become law  
without his signature.

Although SB 153 is the most significant immigration bill being considered by  
the General Assembly, two others would address a topic covered in SB 153

or a related immigration issue. [HB 690 The Citizens Support Act](#) would enact similar restrictions as SB 153, prohibiting noncitizens from receiving state-supported benefits, such as housing, food, and unemployment support. [HB 261 Sent. Enhancement/Immigration-Related Crimes](#) would create additional criminal penalties for defendants convicted of misdemeanor or felony offenses while unlawfully present in the United States. Both of these measures passed the House earlier this year and await action in the Senate.

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