



LEGISLATIVE UPDATE FROM
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NC House

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Happy New Year 2017

In 2012, the people of the NC House District 64 gave me the privilege of being your State Representative. I ran on a conservative platform at that time and since being elected I have worked to implement conservative solutions to ensure North Carolina is the best place to live, work, and raise a family.

Where we have been

As we move into a New Year and a New Session of the NCGA I would like to review some of the good conservative fiscal policies we have accomplished since 2012. First up a review of the last four years from Gov. Pat McCrory. Take a few minutes and listen to his observations.

Governor McCrory Reflects on Successful Term and Honor of Being Governor

https://youtu.be/sq_6YsRyolY

Thank you Gov. McCrory for your outstanding leadership.



But wait there's more.....

- In 2011 the state sales tax rate was reduced from 5.75% to 4.75%, a 16% reduction in that rate. **We retained that low rate** over the past four years (although the sales tax base has been expanded in some areas). Sales tax savings for consumers has been approximately **\$4 billion** over the past 4 years.

Alamance County NCGA Delegation



Rep. Riddell, Sen. Gunn, Rep. Ross

- The personal income tax rate has been decreased from a graduated top rate of over **7% in 2012** to a flat rate of less than **5.5% in 2017 for all taxpayers.**
- The corporate tax rate of **6.9% in 2012** (highest in our region) has been stepped down annually to a very competitive **3%** starting January 1, 2017.
- The obnoxious **death tax** here in NC was **repealed** beginning in 2014.
- We reduced the hidden burden of regulatory compliance costs for businesses with consistent **Regulatory Reform legislation** in 2013, 2014, and 2015. More to come in 2017.

- In 2018 we will begin using the single sales factor for multi-state income and franchise tax apportionment – very important to business growth.
- HB4 was our necessary unemployment insurance reform in 2013. This resulted in an early payback of a **\$2.6 billion debt** incurred from the federal government during the 2009 recession and resulted in significant tax relief for employers. There is now a **\$2 billion surplus** in that reserve fund.
- We are currently rolling out the voter approved \$2 billion bond issue for capital needs and higher education.
- In 2011 the Savings Reserve Fund (rainy day fund) was a little over **\$200 million**. As of December 2016, after paying the state matching share for the Federal Disaster Relief for Hurricane Matthew, the fund has a balance of **\$1.474 billion**. The State paid its matching amount without assuming new debt or increasing taxes. **More disaster relief to follow.**
- The unemployment rate decreased from **8.8%** in January 2013 to **4.6%** in August 2016, the 2nd largest decrease in the country over that period when North Carolina added over 350,000 net jobs.
- Gross Domestic Product (2016) for the U.S. = \$18.1 trillion & North Carolina = **\$510 billion** (9th largest in the U.S.; 23rd largest in the world – between Taiwan and Sweden)



Very glad to have this election cycle behind us. However, one lovely highlight was seeing first time voters Mother/Daughter team Klischer at early voting.
Good citizenship in action!

Where we are now

- May 2016 *Site Selection Magazine* cited Texas and North Carolina as being **tied for first place** as the best place to locate a new business.
- *CEO Magazine* rated North Carolina as the **3rd best** place in the nation to do business.
- *The Tax Foundation* elevated North Carolina's ranking from 44th in 2013 to **9th place in 2016** for most favorable business climate.

In Memory of a great man



Dr. J. Earl Danieley in the Senate gallery with Rep. Ross and Dan Danieley back in 2014. Dr. Earl was there to be honored by the NC Senate for his life of service. He will be missed by all of us who were blessed to know him.

- *Forbes* **#2 Best State** for Business (2015).
- *CNBC* Top States for Business **NC ranked #5.**
- ALEC (2016 *Rich States Poor States*) elevated North Carolina from 8th in 2015 to **2nd** in favorable Economic Outlook.
- The Census Bureau reported in the spring of 2016 that since 2013 North Carolina has had the **fastest growing economy** in the nation.
- One of only nine states with **Triple-A bond ratings** from Fitch, Moody's and S&P)
- **#1 State** in the Southeastern US for manufacturing jobs. (USBL Statistics)

- **#2 State** for investment in Broadband Infrastructure (Strategic Networks Group).



The 3 Amigos with the necessary expertise of our wives and Evonne Parker hosted a BBQ for our local District 5 NC Highway Troopers earlier in the fall. Our Troopers are the best!

Where we need to go

According to the US Census Bureau N.C. Population in 2015 was 10,042,802 making us the 9th most populous state. North Carolina has gained 1,993,492 new residents since 2000 (a number greater than the current population of Nebraska).

We are a Top State for In-migration: #1 U.S. Growth State based on U-Haul rental destinations in 2015 and #5 Top United Van Lines Destination in 2015.

We are a choice destination for citizens and businesses. What does all this growth mean for us? Where do we need to go as we grow? Here are some issues we will have to deal with in the future:

1. Continued protection of the life, liberty and pursuit of happiness of the people – the primary duty of any gov't.
2. Preserving the freedoms and quality of life here in NC that have made us such an attractive destination for individuals, families, and businesses.
3. Continue the fiscally conservative policies that have encouraged our current economic growth. Keep state spending under control, low debt, low tax rates, evidence-based policy making, and prioritized budgeting.

4. Education policy that helps parents find the best education choices for their children and prepares each student for success - local control.
5. Infrastructure = transportation \$\$\$
6. Energy and the environment – helping NC become an energy producer while protecting our vital natural resources.
7. Deal openly and realistically with the future unfunded liabilities of our state employees health plan and retirement system. Keep our promises.
8. Protect our unique system of constitutional “federalism” that balances delegated powers between the federal gov't and state gov't.
9. Health Care - utilize technology to reduce costs, expand competition, and continue Medicaid reform.



A tribute to our good friends and hardworking patriots Barbara Brown and her mother Gloria Brown. I have known these two ladies for many years. They are red, white and blue through and through. Barbara has been fighting cancer for several months now. At the time of this writing she is at the Alamance-Caswell Hospice. **Please** remember Barbara in your thoughts and prayers and her mother and caregiver Gloria. Thank you.

New Session Begins

On January 11, 2017 I will be sworn in for my third term in the North Carolina General Assembly. Thank you for the privilege to serve for the next two years in your NCGA.

Dennis