

2017 LEGISLATIVE VICTORIES FOR BUSINESS, JOBS & THE ECONOMY

# NC JOBS WINS



North Carolina  
Chamber

A force for business.

# PROTECTING YOUR INVESTMENT IN NORTH CAROLINA

Elected leaders and legislators make decisions every day that impact your business and its growth potential. The pro-growth reforms that the NC Chamber has worked to secure this legislative session are making our business climate more competitive and growing the statewide economic pie for employers of all sizes. With your support, the NC Chamber is focused on continuing to advance the interests of the business community in the legislative, regulatory and political arenas.

North Carolina is becoming a preeminent location to live and work in the global economy, and it all starts with good jobs. The NC Chamber believes healthy, job-creating businesses are the number one catalyst that will position North Carolina to ride this wave of unprecedented growth. We can't do it without you.

## Advocacy Wins | Workers Compensation Costs

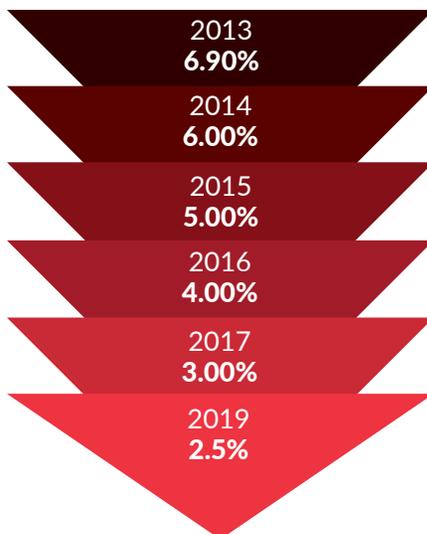
Average Rate Reductions Announced by the North Carolina Rate Bureau



## Advocacy Wins | Lower Taxes

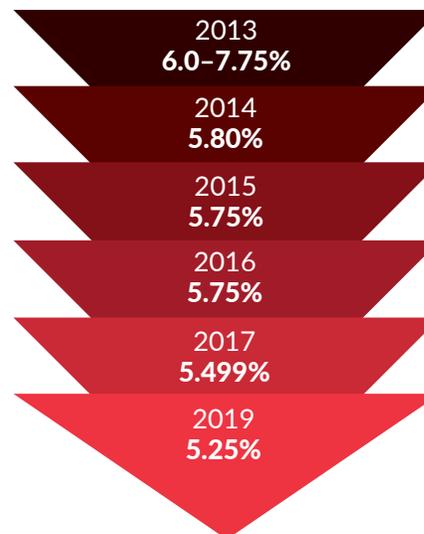
The North Carolina Corporate Income Tax and Individual Income Tax have been lowered substantially. Since 2013, North Carolina's business tax climate has jumped from 44th to 11th in the nation.

### Corporate Tax Rates



### Individual Tax Rates

(62% of all NC employers with payroll are pass-through entities)



(Source: Tax Foundation)

# Pillar 1: Education and Talent Supply



North Carolina must develop and maintain a first-rate, leading talent pipeline by aligning education and workforce development systems that are effective, agile, accountable, flexible, and consistently produce a competitive, diverse, world-class workforce.

## **Blocked Efforts to Weaken HIRE Standards (H417)**

The NC Chamber has long supported HIRE Standards and once again defeated measures to repeal and replace North Carolina's Mathematics Standard Course of Study with less rigorous standards.

## **Backed Efforts to Better Align Public School Funding (S257)**

Ensuring North Carolina's schools have the necessary resources to fully prepare students to enter a competitive workforce is critical to filling the talent pipeline, which is why the NC Chamber supported creating the Joint Task Force on Education Finance Reform to assess and improve how the state allocates funding to public schools.

## **Increased Career-Training Opportunities for Students (S257)**

Providing students with 21st-century career-training opportunities is essential to closing the skills gap. The NC Chamber successfully advocated for extending dual enrollment opportunities for high school students in community college courses, in order to secure industry-recognized credentials.

## **Eased Employment Burdens on Military Families (S8/H57)**

To streamline the entrance of military families into North Carolina's workforce, the NC Chamber helped ease occupational licensing burdens by allowing military members and their spouses to practice their professions under out-of-state licensure while transitioning to North Carolina's licensing requirements.

## **Supported Efforts to Attract & Retain the Best Teachers and Administrators (S257)**

The NC Chamber supported budgetary measures that increased pay for teachers and school-based administrators in an effort to attract and retain the best educators.

## **Strengthened Alignment between Business and Education (S257)**

Aligning the goals of North Carolina's business community and its education systems is vital to meeting the state's workforce needs. The NC Chamber strengthened this alignment through the creation of Business Advisory Councils, which will help local education agencies develop demand-driven career, technical and work-based learning opportunities.

## **Improved Early Childhood Education and Literacy (S257)**

Understanding that early childhood education and literacy are key to closing the skills gap, the NC Chamber advocated for the creation of an interagency task force focused on birth to third-grade education and development.

## **Ensured High School Students Graduate with Career and College Literacy Skills (S257)**

No student should graduate without the necessary literacy skills to succeed in their career and/or secondary education. The NC Chamber supported a budgetary provision that requires all students receiving a high school diploma endorsement to demonstrate a certain level of reading achievement.

## **Strengthened K-12 School Accountability (S257)**

The NC Chamber advocated for school performance grades that raised the bar on accountability and provided parents, teachers, business leaders and policymakers a more accurate view of a school or district's overall performance.

## **Advanced Apprenticeships in NC (S257)**

After supporting a budgetary provision, that transferred the state apprenticeship program from the Department of Commerce to the Community College System office, the NC Chamber continues to drive policies that advance the scaling of apprenticeships in North Carolina.

## **NEXT SESSION**

### **Lifting Low Performing Schools**

As a follow-up to maintaining HIRE Standards and a transparent school grading system, the NC Chamber will advocate for an accountable, transparent and collaborative process in turning around low performing schools.

### **Increasing Workplace Learning**

The NC Chamber will advocate for measures that increase awareness of and facilitate accessibility to robust workplace learning initiatives, including apprenticeships.

## LEGISLATIVE HIGHLIGHT

### **Improved NC's Juvenile Justice System (S257)**

Until this legislative session, North Carolina was the only state that had yet to "raise the age" of juvenile jurisdiction, meaning youthful offenders aged 16 and 17 were criminally processed as adults. Now, 16 and 17 year olds charged with misdemeanors or non-violent felonies are processed appropriately through the juvenile justice system. As the NC Chamber Legal Institute indicated in 2016, "raise the age" measures reduce juvenile recidivism, improve public safety and mitigate rising costs in North Carolina's criminal justice system. This, in turn, strengthens North Carolina's legal climate and bolsters the talent pipeline. The NC Chamber advocated for "raise the age" measures that were included in several bills this session and ultimately secured reform through a budget provision.

## Pillar 2: Competitive Business Climate



While North Carolina is appearing near the top of an increasing number of noteworthy business climate rankings, we cannot be complacent as other states are constantly working to be more competitive. North Carolina must continually strive to position its business climate more competitively in order to attract new investment and create and retain more good jobs for North Carolinians.

### Modernized Taxes to Boost Competitiveness (S257)

The NC Chamber supported further modernization of North Carolina's tax code through budget provisions that reduced the personal income tax rate from 5.499% to 5.25% in 2019, raised the standard deduction/zero tax bracket from \$17,500 to \$20,000 and cut the corporate tax rate from 3% to 2.5% in 2019.

### Eased Tax Burden and Increased Tax Simplicity (S257)

The NC Chamber heavily and successfully advocated for the repeal of the mill machinery tax and the reduction and simplification of the franchise tax. The mill machinery tax was a punitive tax on business-to-business inputs that raised the cost of manufacturing. North Carolina was the only state in the Southeast to levy such a tax until the NC Chamber motivated legislators to repeal it. Now, the repeal will save companies \$54 million annually.

### Saved Workers' Compensation Reforms of 2011 from Decimation (H26)

After the North Carolina Supreme Court expanded employer liability through the Wilkes vs. City of Greenville ruling, the NC Chamber, with the aligned business community, swiftly secured a legislative fix to save the workers' compensation reforms of 2011 from decimation. Those Chamber-supported reforms restored balance to a no-fault system, made sure workers received timely access to benefits, and drove costs down.

### Clarified Unemployment Insurance Changes (S7, H5)

The NC Chamber encouraged several technical and administrative changes to the state's unemployment insurance laws. Due to Chamber-supported legislation, today employers pay \$105 less in FUTA taxes for every employee working in North Carolina. Additionally, the unemployment insurance trust fund is now stable at more than \$1 billion in reserves.

### Repealed House Bill 2 (H142)

The NC Chamber supported bipartisan efforts to repeal House Bill 2.

### Encouraged Permitting Changes to Bolster Opportunity (S155)

The NC Chamber backed changes to Alcoholic Beverage Control permits, allowing restaurants and grocers to sell alcohol before noon on Sundays with local government approval.

### Alleviated Regulatory Burdens for Business (S16)

After a veto of the bill, the NC Chamber successfully advocated for an override to reduce many regulatory burdens stifling growth for businesses across the state.

### Eliminated Local Government Monopolies (H56)

The NC Chamber fought for reforms to eliminate monopolies in waste disposal as flow control restrictions gave local governments an unfair advantage when competing with the private sector. This was ultimately achieved through a veto override.

## NEXT SESSION

### Stopping Bad Acting Personal Injury Attorneys from Gaming NC's Legal System

The NC Chamber will continue fighting for Senate Bill 470: Personal Injury Bankruptcy Trust Claims, which will stop bad-acting personal injury attorneys from gaming NC's legal system when filing asbestos bankruptcy trust claims.

### Clarifying Labor Laws and Improving Contested Case Process

The NC Chamber will advocate for House Bill 374: Business Freedom Act, as it will make technical, conforming, and other changes to the labor laws of North Carolina, while also streamlining permitting and revamping the contest case process.

### Limiting Sales Tax Collections

The NC Chamber is actively monitoring Senate Bill 81: Sales Tax Economic Nexus for Remote closely, as it would establish an "economic nexus" as the basis for sales tax collections on remote sellers, effectively ensuring that North Carolina retailers would only be taxed for sales occurring in-state.

### Monitoring Health Care Mandates

The NC Chamber is actively monitoring House Bill 206/Senate Bill 152: NC Cancer Treatment Fairness, as the legislation would create a government mandate for health benefit plans to cover specific anticancer drugs.

### Streamlining Regulatory Permitting Process

The NC Chamber will advocate to advance policies that streamline the permitting process as outlined in the NC Chamber Foundation's regulatory competitiveness study.

## LEGISLATIVE HIGHLIGHT

### Overtaken Anti-Jobs Veto that Placed Frivolous Lawsuits Before Job Creators (S460, H467)

The NC Chamber fought for clarification to the remedies available in private nuisance actions against agricultural and forestry operations. After passing the General Assembly, the bill was vetoed. This alarming veto put the interests of personal injury attorneys before those of job creators in North Carolina's agriculture and the agribusiness sector, forsaking one of North Carolina's greatest economic contributors and giving power to frivolous lawsuits that clog our legal system, impede job creation and weaken our competitive legal climate. This affront to an industry that accounts for one-sixth of the state's income and employees, in addition to \$84 billion of the state's \$482 billion gross state product, was both baffling and unacceptable. Subsequently, the NC Chamber fought for and secured a veto override.

## Pillar 3: Entrepreneurship and Innovation



North Carolina must consistently foster innovation and entrepreneurship that leads to capital formation, investment, employment and good jobs. Creating the culture of innovation and entrepreneurship necessary to be a world-class jobs leader will require a high degree of economic freedom with minimum government interference, regulation and taxes.

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### Broadened Access to Digital Infrastructure (S65, H68)

The NC Chamber secured measures that will broaden access to digital infrastructure for economic development and innovation in key markets across the state.

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### NEXT SESSION

#### Protecting Economic Development in Coastal Communities

The NC Chamber will advocate for House Bill 867: Coastal Fisheries Conservation/Econ. Dev., which will protect economic development in coastal communities through the restoration and long-term conservation of North Carolina's public fisheries.

#### Advancing NC Start-Ups

The NC Chamber will advocate for establishment of a research and development grant program for early stage and start-up companies

#### Bettering Access to University-Developed Technology

The NC Chamber will advocate to establish a system-wide Office of Technology Transfer charged with establishing a uniform technology transfer policy across the 17 campuses of the NC University System.

#### Growing Food Manufacturing and Agribusiness

The NC Chamber will advocate for increased awareness of and key policies that promote the growth of food manufacturing processing and agribusiness industries in North Carolina.

## Pillar 4: Infrastructure and Growth Leadership



North Carolina must identify ways to continue investing in the development and maintenance of sound physical infrastructure, including transportation (roads, railroads and ports), water and sewer, energy and broadband/advanced communications to meet the demands of population and economic growth.

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### Advanced Wireless Communication Infrastructure (S377, H310)

Wireless communication infrastructure is critical to advancing economic opportunity across the state, which is why the NC Chamber supported reforms to improve wireless communication infrastructure licensing and permitting.

### Supported Changes to DOT Property Planning (H501)

The NC Chamber supported changes requiring the Department of Transportation (DOT) to include surveying information in any plans prepared for acquiring certain property rights. This provides increased certainty to property owners and clarifies the residue property disposal procedure.

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### NEXT SESSION

#### Enhancing Access to Broadband

The NC Chamber will advocate for enhanced access to and adoption of broadband in non-urban areas of the state.

#### Improving NC's Infrastructure

The NC Chamber will work with the North Carolina Department of Transportation and road contractors to remove barriers to access the \$2.2 billion cash balance available for capital projects.

## LEGISLATIVE HIGHLIGHT

### Secured Energy Reforms to Foster Competitive Rates (H589)

Without the reforms secured by the NC Chamber, the outdated Public Utility Regulatory Policies Act of 1978 (PURPA) could have cost North Carolina consumers \$1 billion. Keeping rates competitive for North Carolina businesses is necessary in order to grow our economy. Reforming PURPA standards will institute fair and balanced policies that will foster competitive rates, greater reliability and a fair rate of return for third party facilities. As part of the NC Chamber's efforts to employ an "all-of-the-above" energy strategy across our state, the updates included in House Bill 589: Competitive Energy Solutions for NC will be integral in strengthening the state's standing as a leader in renewable energy, while keeping downward pressure on rates for consumers.



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