

Speech at UC Republican Men's Club, March 20, 2010

In 2009 the Democrat-controlled state legislature, led by a Democrat governor again raised our taxes, and they raised them by a LOT! Nearly a Billion and a Half Dollars! The House of Representatives voted to raise taxes and spending in the middle of a recession! North Carolina actually had an overall growth in state government of 5%. They increased the sales tax rate by 20% (from 5 to 6 cents), they increase the income tax with a surcharge on individual taxpayers with income over \$60,000. They added a sales tax on repairs and warranties, they added a provision allowing the "click through" which taxes sales to North Carolinians from websites and businesses not physically located in North Carolina. And they added "Combined Reporting" of corporate revenues that increases the tax liability on corporations with operations in a variety of states. Some of these tax code changes are not necessarily anti-consumer, but taken in their entirety, North Carolina continues to become less and less attractive to investors, businesses and residents.

Do you ever wonder what happened to the Tobacco Settlement monies received by North Carolina? This money was to pay the high Medicaid costs that the states were incurring for treatment of health problems experienced by long-time smokers.

North Carolina formed the Golden LEAF Foundation whose mission is to promote the social welfare of North Carolina's citizens and to receive and distribute funds for economic impact assistance to economically affected or tobacco-dependent regions of North Carolina. In other words a "Patronage Disbursement Agency"

The Truth is that IF the \$70 million annual payment to Golden LEAF had been going into the general fund, counties would have received far more than the Golden LEAF grants have doled out by this Patronage Board. The North Carolina House of Representatives declined to support the Neumann Amendment by a vote of 50 to 64 that would, as a consequence, have resulted in providing \$300 Million over the biennium in additional federal dollars coming back to North Carolina.

The North Carolina constitution requires that all fines and forfeitures collected because of violations of some state laws be used exclusively for maintaining free public schools. But state agencies have taken it upon themselves for nearly a decade, to withhold those fees and spend them elsewhere. A state Supreme Court decision put a stop to the practice in 2005, but most school localities have still NOT received that money.

Proceeds from the North Carolina Education Lottery were to fund long-term capital improvements in school systems across the state. Instead Gov. Beverly Perdue has tapped this money to balance short-term budget shortfalls, and in her most recent budget proposal, she calls for the state to continue this backwards practice while doing nothing to reign in the spending that causes these budget shortfalls.

Corporate taxes collected in North Carolina and then administered to school districts based on each district's attendance figures have all but stopped. The money is now being used to balance the state budget.

Funny things seem to happen to money when it goes to Raleigh.

Gasoline tax money, which is supposed to be used for highway construction and maintenance, never quite makes it to much of our state. When the budget gets tight, that Highway Trust Fund is raided by governors as means to balance the budget, and roads are left to crumble.

North Carolina has had a horrible record of supporting education. Last year the Governor removed the reimbursement for teachers to achieve their National Board Certification. And, as a result of the legislature's refusal to allow more Charter Schools be established in the state, we lost more than \$100 Million of "Race to the Top" money from the Fed's.

The refusal of the House Education Committee to pass Tax Credits for Children with Disabilities actually cost the State of North Carolina as much as \$5 Million Dollars.

This state included in its budget for FY2010 \$25 Million for a new fishing pier in Nags Head. Doesn't anyone in Raleigh know that we are in the worst economic downturn since the Great Depression?

We have got to get going on modernizing our state government. Duplication of services, duplication of purchases, duplication of equipment or equipment that cannot communicate with each other and general lack of technology is estimated to cost this state \$1.2 Billion a year. Improved technology means accountability and savings. Lack of technology means waste!

In my family, we do what we HAVE to do FIRST. Then, we do what we LIKE to do.

So, Here's the part that really gets me.

The State of North Carolina, just like each of us in our households, should fund its most important needs first. That's where the first \$19 Billion of our \$20 Billion state budget should go. Then, we fund what we "like" to do with what else we can afford. So, when the Governor or the Legislature says that they have to raise taxes to fund teachers, schools, police and basic services, what they have really said is that these services are really not all that important. Because, if they were, they would have funded them FIRST and let the other stuff split up what was left.

Folks, we have to stop this insanity. We have to take responsibility for ourselves and not dump the bill on our kids and our grandkids.

We must generate jobs. With jobs, comes income and careers. With income and careers come consumer goods and services. And with all that comes revenue to do all those "Nice to do" things that make life a bit less trying in these trying times.

That is why I am running for the North Carolina House of Representatives. I cannot look my seven grandchildren in the eye and tell them to get involved, get into the game, if I sit on the sidelines. I have a record of hard work and an enthusiasm to tackle the difficult issues ahead. I ask for your support and your vote on May 4. In turn I promise you, as has once been said:

Blood – Toil – Tears - and Sweat !