



Legislative Business Ratings 2013



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2013 NCFEF BUSINESS RATINGS



This report, produced by the nonpartisan non-profit North Carolina FreeEnterprise Foundation (NCFEF) following each 'long' session of the NC General Assembly, is not intended to be an all-inclusive evaluation of every single business-related piece of legislation during the recently concluded session.

Rather, it's an analytical assessment of individual legislators combining two sets of factors:

- votes taken on an appropriately diverse array of business issues where free enterprise principles on taxation, government regulation, civil liability, private property rights and other related business issues were clearly and distinctly involved, and
- a candid assessment of the percentage of the time each legislator was generally supportive of issues important to the overall business climate of North Carolina, how accessible they were for information sharing and discussion, and whether they maintained a business-like approach to legislative duties.

Recommendations on this were solicited in a confidential survey among more than 400 business leaders and government affairs professionals representing a multitude of business interests all across North Carolina. Results were compiled by NCFEF staff, reviewed and assessed by the Research Committee of the NCFEF Board, and are made available in this report for public distribution.

Understanding the meaning of the Business Rating for each legislator is fairly straightforward: the higher the number, the more aligned that legislator was with the principles of free enterprise during the 2013 Session.

The NC FreeEnterprise Foundation considers a rating of 70 or higher to demonstrate consistent support of free enterprise principles, and those within this range constitute the solid base of legislators aligned on issues important to the business community of North Carolina.

Legislators with a rating of less than 70 did occasionally support free enterprise principles, and within that group some (those rated above 55) frequently did so.

Every legislator votes on bills and conducts legislative business as their conscience dictates. A willingness to meet with and listen to all sides on an issue, and to vote in ways that support free enterprise principles is something every legislator listed in this report had the opportunity and ability to do. Legislators do occasionally vote opposite the business position on a particular bill because they believe doing so is dictated by constituents from within their district, or is in line with a stated position.

In terms of legislation selected for this analysis, finding absolute unanimity around any piece of legislative is elusive regardless of the topic or constituency involved, and the businesses community is no exception. Often companies within the same industry disagree on fundamental public policy issues, such as regulatory requirements and taxation.

2013 NCFEF BUSINESS RATINGS



The NCFEF Legislative Business Ratings do not attempt to evaluate the lobbying successes or failures associated with a specific legislative agenda. Rather, this analysis of legislative action and attitudes relies on input from a broad base of individuals within the business community who are the most familiar with the state legislative session.

This methodology has proven over time to best serve this organization's mission to provide impartial, objective analysis useful to business leaders and the general public interested in understanding the intersection of politics and the public policy that impacts North Carolina's economic vitality.



The 2013 Session of the North Carolina General Assembly commenced with high expectations within the business community for a laser-like focus on issues important to boosting the (continued) sluggish economic recovery in the state.

The new governor, Republican Pat McCrory, won in 2012 with landslide margins in a campaign almost singularly focused around a pro-jobs and pro-growth stand on issues. Reform of state regulatory systems and the tax code, restructuring to make state government more efficient, and focus on enhanced economic development and business recruitment were cited by McCrory as top items on his legislative agenda for 2013.

The 2012 election saw Republicans secure super-majority margins in both chambers. House Speaker Thom Tillis and Senate President Pro Tem Phil Berger were returned as leaders of their respective bodies. Both leaders predicted the 2013 Session would be short in duration and focused on continuing the pro-business reforms and reductions in government that were the hallmark of the 2011.

Expectations were high at the start of the 2013 Session for a very positive legislative environment from a free enterprise point of view, and responses to the 2013 Legislative Business Ratings survey reflect how that expectation compared to what actually happened.

A tension generally exists between leaders of the Executive and Legislative branches of state government, as well as between the respective legislative chambers, even when all are under the control of the same party. However, the fractious relationship that emerged between the state Senate leadership and Governor McCrory, and between the House and Senate leadership, cast a long shadow over issues discussed and debated during the 2013 Session. Such significant fault lines tend to impede deliberation, especially highly complicated regulatory and taxation issues directly impacting North Carolina's business climate.

While the legislature did tackle many substantive issues important to promoting and sustaining a positive business climate in the state, such tensions hampered consideration of a fuller complement of business-oriented proposals.

2013 SENATE BUSINESS RATINGS

District	Home County	Member Name	Rating
6	Onslow	Harry Brown	95.78
48	Henderson	Tom Apodaca	90.30
10	Sampson	Brent Jackson	88.06
24	Alamance	Rick Gunn	87.25
29	Randolph	Jerry Tillman	86.92
34	Davie	Andrew Brock	85.92
35	Union	Tommy Tucker	85.42
41	Mecklenburg	Jeff Tarte	85.37
50	Macon	Jim Davis	84.31
26	Rockingham	Phil Berger	84.18
43	Gaston	Kathy Harrington	83.93
18	Wake	Chad Barefoot	83.11
7	Wayne	Louis Pate	82.09
15	Wake	Neal Hunt	82.09
8	Brunswick	Bill Rabon	82.03
13	Robeson	Michael Walters	81.88
2	Pamlico	Norm Sanderson	81.25
25	Richmond	Gene McLaurin	80.28
19	Cumberland	Wesley Meredith	80.00
33	Davidson	Stan Bingham	79.88
12	Harnett	Ronald Rabin	79.79
30	Wilkes	Shirley Randleman	79.27
31	Forsyth	Pete Brunstetter	79.22
47	Mitchell	Ralph Hise	79.10
45	Watauga	Dan Soucek	79.09



Republican



Democrat

2013 SENATE BUSINESS RATINGS

District	Home County	Member Name	Rating
1	Beaufort	Bill Cook	78.59
27	Guilford	Trudy Wade	78.24
17	Wake	Tamara Barringer	76.72
44	Lincoln	David Curtis	75.95
11	Wilson	Buck Newton	75.51
39	Mecklenburg	Bob Rucho	75.16
9	New Hanover	Thom Goolsby	73.09
42	Catawba	Austin Allran	72.86
3	Edgecombe	Clark Jenkins	72.35
46	Burke	Warren Daniel	70.50
36	Cabarrus	Fletcher Hartsell	61.37
38	Mecklenburg	Joel Ford	61.17
21	Hoke	Ben Clark	59.63
37	Mecklenburg	Dan Clodfelter	53.94
14	Wake	Dan Blue	46.55
22	Durham	Mike Woodard	43.11
5	Greene	Don Davis	39.92
49	Buncombe	Martin Nesbitt	36.33
16	Wake	Josh Stein	33.60
40	Mecklenburg	Malcolm Graham	30.50
20	Durham	Floyd McKissick	27.35
28	Guilford	Gladys Robinson	24.40
4	Nash	Angela Bryant	24.29
23	Orange	Ellie Kinnaird	23.92
32	Forsyth	Earline Parmon	20.75



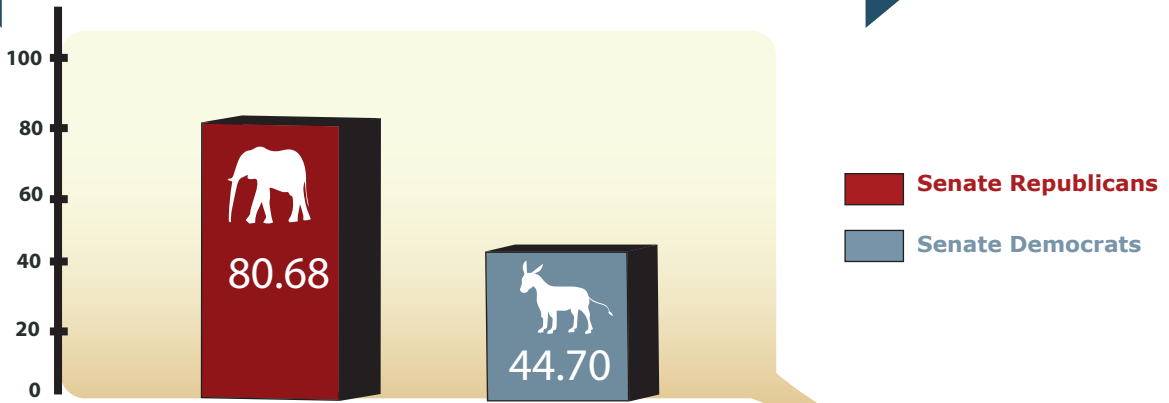
Republican



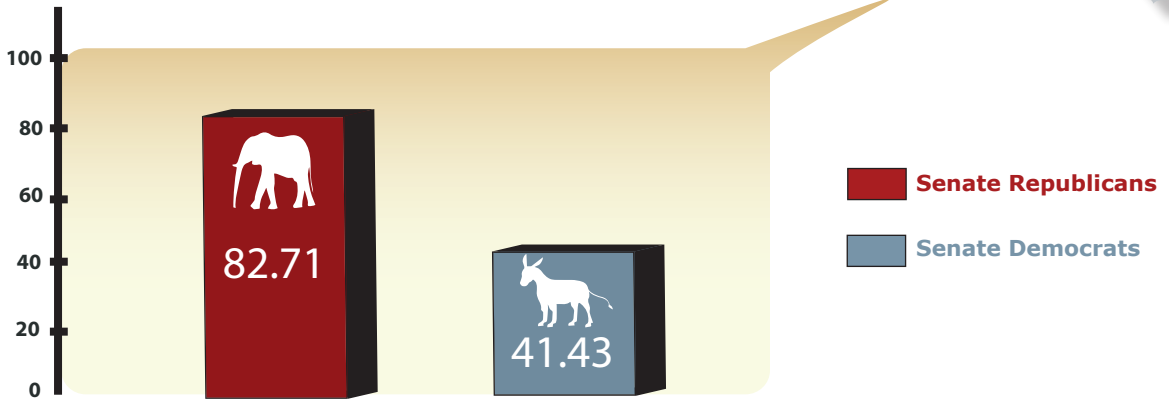
Democrat



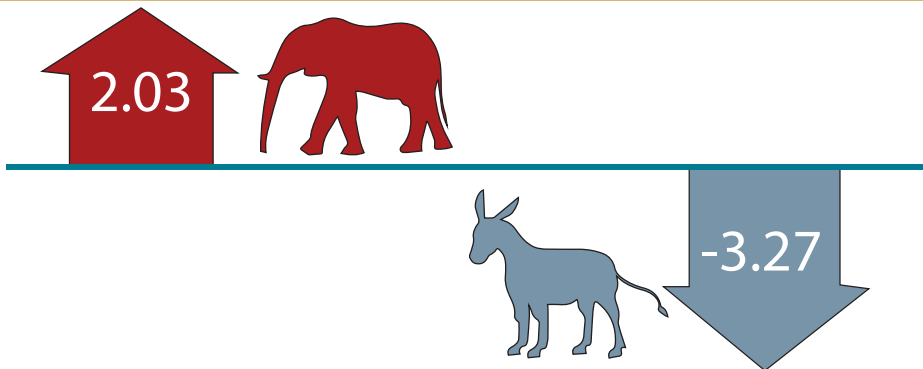
Average Business Rating by Caucus



Average Business Rating by Caucus Leadership



Difference between Caucus Leadership and Caucus



2013 HOUSE BUSINESS RATINGS



District	Home County	Member Name	Rating
53	Harnett	David Lewis	96.34
116	Buncombe	Tim Moffitt	95.65
120	Cherokee	Roger West	95.35
98	Mecklenburg	Thom Tillis** <i>(see Methodology)</i>	94.84
89	Catawba	Mitchell Setzer	94.67
103	Mecklenburg	Bill Brawley	94.00
111	Cleveland	Tim Moore	93.52
79	Davie	Julia Howard	93.50
41	Wake	Tom Murry	93.44
112	Rutherford	Mike Hager	92.76
97	Lincoln	Jason Saine	91.90
25	Nash	Jeff Collins	91.34
108	Gaston	John Torbett	91.34
69	Union	Dean Arp	91.11
77	Rowan	Harry Warren	91.00
52	Moore	Jamie Boles	90.67
83	Cabarrus	Linda Johnson	90.52
104	Mecklenburg	Ruth Samuelson	90.34
8	Wilson	Susan Martin	90.34
13	Carteret	Pat McElraft	90.00
10	Wayne	John Bell	90.00
68	Union	Craig Horn	89.66
88	Mecklenburg	Rob Bryan	89.40
63	Alamance	Steve Ross	89.32
67	Stanly	Justin Burr	89.03
40	Wake	Marilyn Avila	88.87
51	Lee	Mike Stone	88.80
115	Buncombe	Nathan Ramsey	88.52
49	Wake	Jim Fulghum	88.50
45	Cumberland	John Szoka	88.40



Republican



Democrat

2013 HOUSE BUSINESS RATINGS



District	Home County	Member Name	Rating
36	Wake	Nelson Dollar	88.27
28	Johnston	J.H. Langdon	88.20
65	Rockingham	Bert Jones	88.11
90	Surry	Sarah Stevens	87.86
16	Pender	Chris Millis	87.76
93	Ashe	Jonathan Jordan	87.50
59	Guilford	Jon Hardister	87.47
87	Caldwell	Edgar Starnes	87.34
17	Brunswick	Frank Iler	87.34
4	Duplin	Jimmy Dixon	87.32
9	Pitt	Brian Brown	87.32
1	Chowan	Bob Steinburg	87.15
73	Alexander	Mark Hollo	86.93
19	New Hanover	Ted Davis	86.60
70	Randolph	Pat Hurley	86.43
118	Yancey	Michele Presnell	86.25
55	Union	Mark Brody	86.19
92	Mecklenburg	Charles Jeter	86.00
81	Davidson	Rayne Brown	85.37
105	Mecklenburg	Jacqueline Schaffer	84.82
84	Iredell	Rena Turner	84.78
64	Alamance	Dennis Riddell	83.92
37	Wake	Paul Stam	83.81
20	New Hanover	Rick Catlin	83.60
35	Wake	Chris Malone	83.57
61	Guilford	John Faircloth	83.52
91	Stokes	Bryan Holloway	83.50
110	Gaston	Kelly Hastings	83.40
113	Transylvania	Chris Whitmire	83.34
96	Catawba	Andy Wells	83.28



Republican



Democrat

2013 HOUSE BUSINESS RATINGS



District	Home County	Member Name	Rating
22	Bladen	William Brisson	82.73
62	Guilford	John Blust	82.72
15	Onslow	Phil Shepard	82.69
94	Wilkes	Jeff Elmore	82.61
85	McDowell	Josh Dobson	82.43
78	Randolph	Allen McNeill	81.96
109	Gaston	Dana Bumgardner	81.95
75	Forsyth	Donny Lambeth	81.84
76	Rowan	Carl Ford	81.46
14	Onslow	George Cleveland	81.25
26	Johnston	Leo Daughtry	80.47
74	Forsyth	Debra Conrad	78.45
82	Cabarrus	Larry Pittman	78.20
3	Craven	Michael Speciale	77.23
66	Richmond	Ken Goodman	72.67
95	Iredell	Robert Brawley	72.22
86	Burke	Hugh Blackwell	70.84
6	Dare	Paul Tine	68.10
117	Henderson	Chuck McGrady	66.72
46	Columbus	Ken Waddell	57.15
18	New Hanover	Susi Hamilton	55.48
99	Mecklenburg	Rodney Moore	52.12
100	Mecklenburg	Tricia Cotham	51.22
102	Mecklenburg	Becky Carney	48.88
27	Northampton	Michael Wray	48.57
39	Wake	Darren Jackson	42.91
2	Person	Winkie Wilkins	40.54
42	Cumberland	Marvin Lucas	40.00
23	Edgecombe	Joe Tolson	39.57
72	Forsyth	Ed Hanes	38.91



Republican



Democrat

2013 HOUSE BUSINESS RATINGS



District	Home County	Member Name	Rating
44	Cumberland	Rick Glazier	36.33
107	Mecklenburg	Kelly Alexander	36.04
21	Sampson	Larry Bell	35.19
43	Cumberland	Elmer Floyd	33.93
48	Scotland	Garland Pierce	33.61
29	Durham	Larry Hall	32.97
119	Haywood	Joe Sam Queen	32.33
32	Vance	Nathan Baskerville	31.85
60	Guilford	Marcus Brandon	31.84
11	Wake	Duane Hall	31.73
54	Chatham	Deb McManus	31.62
38	Wake	Yvonne Holley	29.36
47	Robeson	Charles Graham	28.96
106	Mecklenburg	Carla Cunningham	28.52
12	Lenoir	George Graham	28.44
101	Mecklenburg	Beverly Earle	26.38
58	Guilford	Alma Adams	24.07
50	Orange	Valerie Foushee	23.08
5	Hertford	Annie Mobley	20.34
33	Wake	Rosa Gill	19.94
71	Forsyth	Evelyn Terry	19.09
31	Durham	Mickey Michaux	18.50
24	Wilson	Jean Farmer-Butterfield	16.61
56	Orange	Verla Insko	16.41
114	Buncombe	Susan Fisher	15.23
30	Durham	Paul Luebke	14.03
7	Franklin	Bobbie Richardson	10.87
57	Guilford	Pricey Harrison	9.17



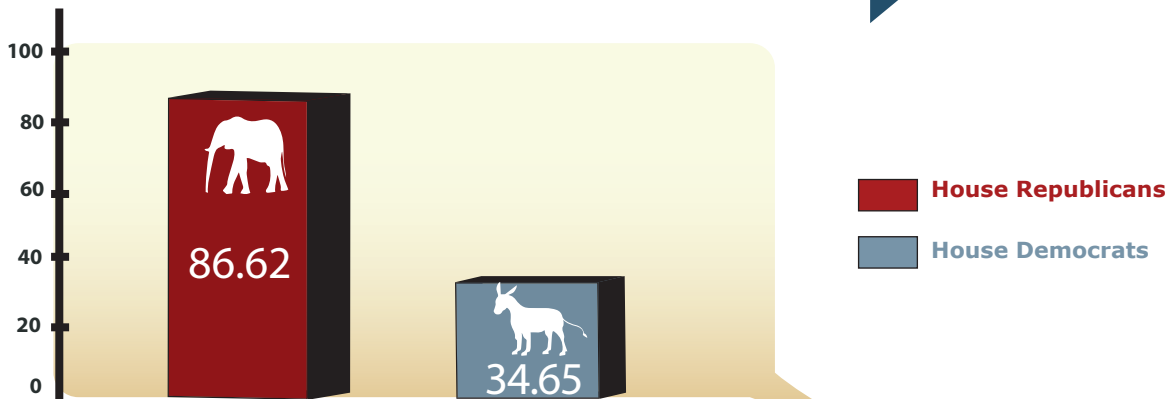
Republican



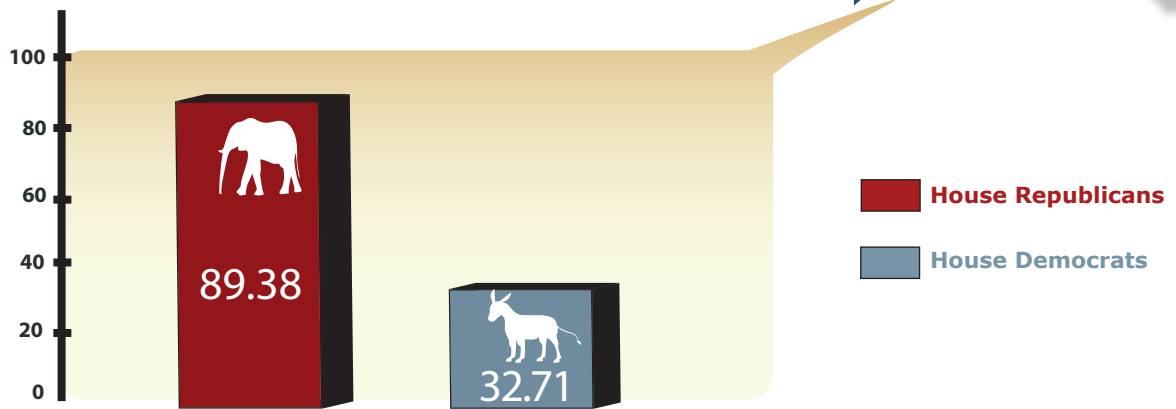
Democrat



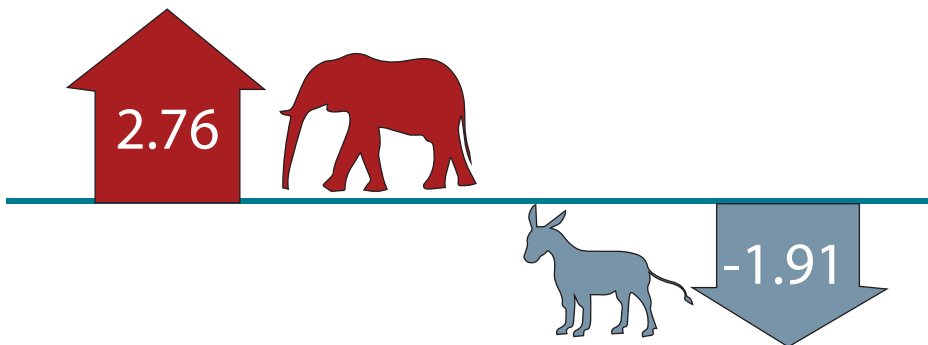
Average Business Rating by Caucus



Average Business Rating by Caucus Leadership

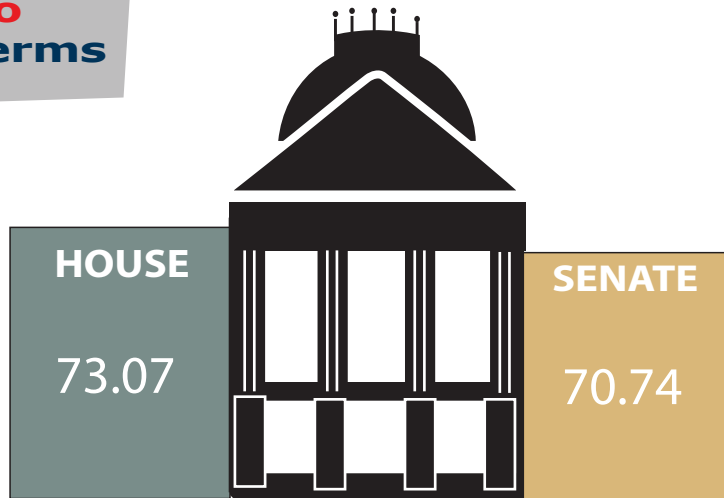


Difference between Caucus Leadership and Caucus

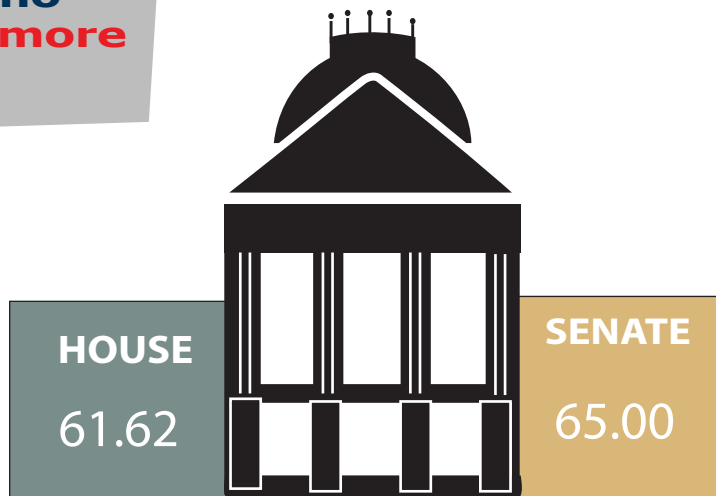




Average business rating of legislators who have served **no more than 2 terms**

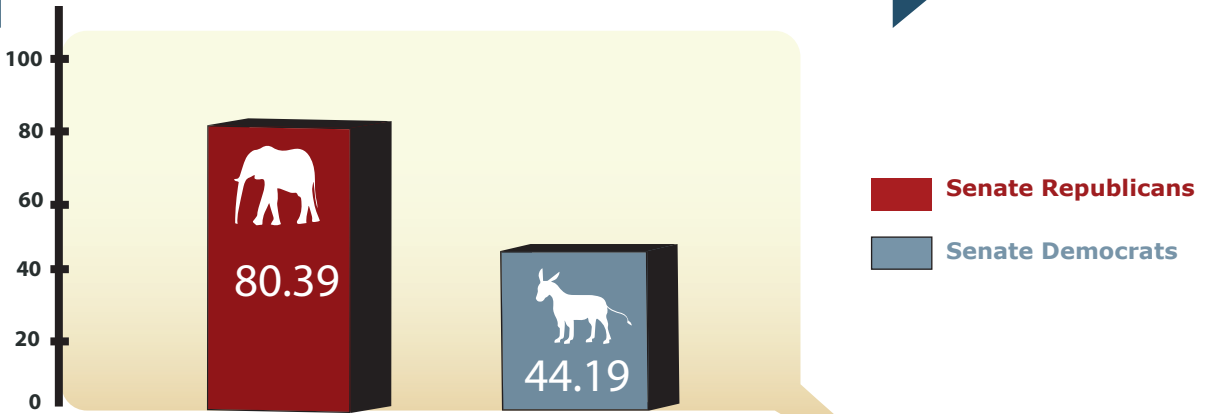


Average business rating of legislators who have served **more than 2 terms**

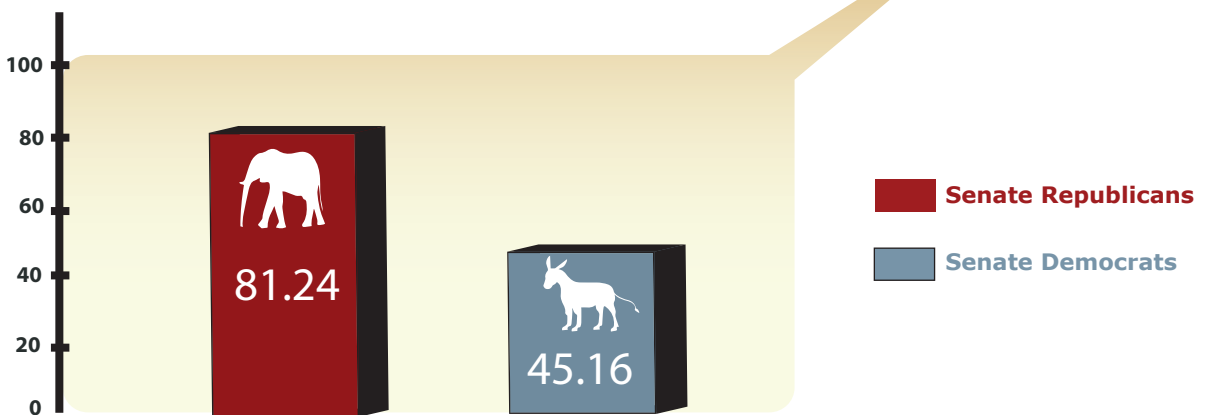




Average Business Rating of Legislators Serving **Two Terms or Less**

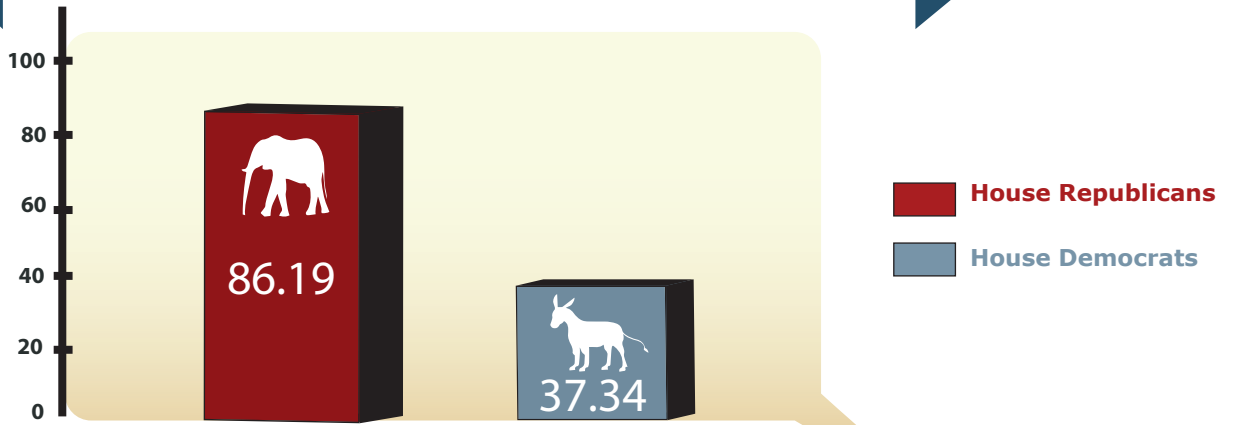


Average Business Rating of Legislators Serving **More than Two Terms**

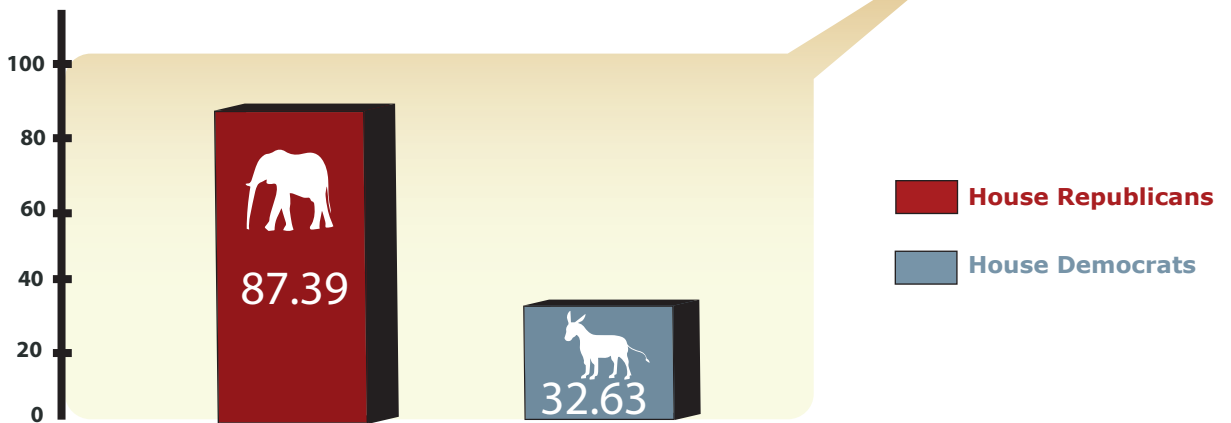




Average Business Rating of Legislators Serving **Two Terms or Less**



Average Business Rating of Legislators Serving **More Than Two Terms**



2013 SENATE RECORDED VOTES



Bill #:	Bill Title:	Reading:	Preferred Vote:	Vote:
HB 4	Unemployment Insurance Fund Solvency & Program Changes	2nd Reading	Aye	36-13
<p>Establishes repayment of more than \$2.5 billion NC borrowed from federal government with 20% surtax on employer unemployment tax payments and increasing minimum/maximum state unemployment tax rates by 0.06% (effective Jan 1, 2014), makes balance in the Unemployment Insurance Fund a factor in tax rate calculation, penalizes employers who fail to respond to requests for information regarding a claim, and requires employers filing 'attached claims' for employees planned to remain on payroll have a positive account balance or make a voluntary contribution to the Unemployment Insurance Fund to bring account balance to zero or better, establishes a maximum weekly benefit amount of \$350 (in line with average of surrounding states), and bases weekly benefit amount on average of last two quarters worked, sets maximum duration of benefits at 20 weeks, ties duration to seasonally adjusted unemployment rate, redefines 'suitable work' to include any employment offered after tenth week of benefit at 120% of weekly benefit amount, and limits 'good cause' reasons for leaving employment to military spouse relocation and domestic violence, increases from 10 to 30 consecutive days an individual can be placed on disciplinary suspension and increases from 20% to 50% of work hours reduction to still qualify for benefits.</p>				
HB 74	Regulatory Reform Act of 2013	3rd Reading Conference Report	Aye	27-14
<p>Requires state agencies produce a fiscal impact statement on proposed rule changes determined to cost all parties \$1 million or more, and all established rules be reviewed within 10 years of enactment or automatically expire, prohibits municipalities (until October 2014) from enacting environmental regulations exceeding existing state or federal requirements without unanimous vote of a city council, and makes numerous changes to various regulations impacting manufacturers, utilities and businesses.</p>				
HB 938	Clarify Wetlands Permitting	2nd Reading	Aye	27-15
<p>Clarifies wetlands statutory definition, thus ending practice of state regulation of isolated wetlands not subject to federal law.</p>				
SB 174	Disapprove Industrial Commission Rules	2nd Reading	Aye	34-14
<p>Disapproves certain rules adopted by the NC Industrial Commission, modifies some provisions of the NC Workers' Compensation Act and provides specific directions to the Industrial Commission as to how those rules should be rewritten.</p>				
SB 523	Late Filing Penalty	2nd Reading	No	29-19
<p>Proposed a financial penalty for failure to file a state tax return even if no money is owed or taxpayer is entitled to a refund.</p>				

2013 SENATE RECORDED VOTES



Bill #:	Bill Title:	Reading:	Preferred Vote:	Vote:
HB 998	Tax Simplification & Reduction Act	3rd Reading Conference Report	Aye	32-17

Changes various aspects of state tax system including reduction to corporate tax rate from 6.9% to 6% in 2014 and 5% in 2015, and based on certain revenue targets, to 4% in 2016 and 3% in 2017, maintains the current franchise tax rate, expands the sales tax to include 'entertainment activities,' and imposes a sales tax on certain service contracts (warranty agreements, maintenance agreements, repair contracts or other contracts to maintain or repair tangible personal property), limits non-profit refund claims to \$45 million in a given year, eliminates \$50,000 business income deduction beginning in 2014, extends research and development credit to January 1, 2016 (allows other incentive tax credits to sunset as scheduled), caps gas tax until June 30, 2015 at 37.5 cents per gallon, repeals the estate tax, reduces personal income tax for individuals from 6 - 7.5% to a flat tax of 5.8% in 2014 and then to 5.75% in subsequent years, eliminates personal exemption but increases the standard deduction, maintains the exemption of social security income from state taxes, eliminates deduction of retirement income and severance wages, caps mortgage interest and property tax deduction on primary residences at \$20,000.

S.B. 76	Domestic Energy Jobs Act	3rd Reading Conference Report	Aye	37-11
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Streamlines regulatory process and eliminates certain regulations governing energy exploration and production, requires periodic review and sunseting of existing rules, prohibits delayed enforcement of local ordinances, prohibits certain contract requirements by local governments.

HB 94	Amend Environmental Laws 2013	2nd Reading	Aye	35-11
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Amends various regulatory provisions (emissions and air quality, energy exploration and mining, landfills and sewage treatment, soil and water standards), creates new Division of Water Resources within NC Department of Environment and Natural Resources.

HB 706	Preserve Landfill Space	2nd Reading	Aye	46-3
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Allows for the safe disposal of on-site demolition debris from the decommissioning of older manufacturing buildings.

SB 490	Exclude Custom Software from Property Tax	2nd Reading	Aye	47-2
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Clarifies software modifications made to meet customer-specific needs constitute 'custom software' and thus exempts it from property tax.

2013 SENATE VOTES



Bill #:		HB 4	HB 74	HB 938	SB 174	SB 523	HB 998	SB 76	HB 94	SB 490	HB 706
Dist.	Preferred Vote:	Y	Y	Y	Y	N	Y	Y	Y	Y	Y
42	A. Allran	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
48	T. Apodaca	Y	Y	Y	Y	N	Y	Y	Y	Y	Y
18	C. Barefoot	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
17	T. Barringer	Y	Y	N	Y	Y	Y	Y	EA	Y	Y
26	P. Berger	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
33	S. Bingham	Y	EA	EA	Y	Y	Y	Y	Y	Y	Y
14	D. Blue	N	EA	N	N	N	N	N	N	Y	Y
34	A. Brock	Y	EA	EA	Y	Y	Y	Y	Y	Y	Y
6	H. Brown	EA	Y	Y	Y	N	Y	Y	Y	Y	Y
31	P. Brunstetter	Y	Y	Y	Y	Y	Y	Y	Y	N	Y
4	A. Bryant	N	N	N	N	N	N	N	N	Y	N
21	B. Clark	Y	N	N	N	N	N	Y	Y	Y	Y
37	D. Clodfelter	N	EA	EA	N	N	N	EA	N	Y	Y
1	B. Cook	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
44	D. Curtis	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
46	W. Daniel	Y	N	Y	N	N	Y	Y	Y	Y	Y
5	D. Davis	N	N	N	N	N	N	N	EA	Y	Y
50	J. Davis	Y	EA	EA	Y	N	Y	Y	Y	Y	Y
38	J. Ford	N	N	N	Y	N	N	Y	Y	Y	Y
9	T. Goolsby	Y	Y	Y	N	Y	Y	Y	Y	Y	Y
40	M. Graham	N	N	N	EA	EA	N	N	N	Y	Y
24	R. Gunn	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
43	K. Harrington	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
36	F. Hartsell	Y	EA	EA	N	Y	EA	Y	N	Y	Y
47	R. Hise	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

Vote Key: Y=Aye N=No EA= Excused Absence NV=Not Voting EV=Excused Vote

2013 SENATE VOTES



Bill #:		HB 4	HB 74	HB 938	SB 174	SB 523	HB 998	SB 76	HB 94	SB 490	HB 706
Dist.	Preferred Vote:	Y	Y	Y	Y	N	Y	Y	Y	Y	Y
15	N. Hunt	Y	Y	N	Y	Y	Y	Y	Y	Y	Y
10	B. Jackson	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	C. Jenkins	Y	EA	EA	EA	EA	N	Y	EA	Y	Y
23	E. Kinnaird	N	N	N	N	N	N	N	N	Y	Y
20	F. McKissick	N	N	N	N	Y	N	N	N	Y	Y
25	G. McLaurin	Y	Y	Y	Y	N	N	Y	Y	Y	Y
19	W. Meredith	Y	Y	Y	Y	Y	Y	EA	Y	Y	Y
49	M. Nesbitt	N	N	N	N	N	N	N	N	Y	Y
11	B. Newton	Y	N	Y	Y	N	Y	Y	Y	Y	Y
32	E. Parmon	N	N	N	N	N	N	N	N	N	N
7	L. Pate	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
12	R. Rabin	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	B. Rabon	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
30	S. Randleman	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
28	G. Robinson	N	N	N	N	N	N	N	EA	Y	N
39	B. Rucho	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	N. Sanderson	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
45	D. Soucek	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
16	J. Stein	N	N	N	N	N	N	N	N	Y	Y
41	J. Tarte	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
29	J. Tillman	Y	EA	EA	Y	Y	Y	Y	Y	Y	Y
35	T. Tucker	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
27	T. Wade	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
13	M. Walters	Y	EA	EA	Y	N	N	Y	Y	EA	EA
22	M. Woodard	N	N	N	Y	N	N	N	N	Y	Y

Vote Key: Y=Aye N=No EA= Excused Absence NV=Not Voting EV=Excused Vote

2013 HOUSE RECORDED VOTES



Bill	Short Title	Reading Vote	Preferred Vote	Vote Count
HB 4	Unemployment Insurance Fund Solvency & Program Changes	3rd Reading	Aye	77-42

Establishes repayment of more than \$2.5 billion NC borrowed from federal government with 20% surtax on employer unemployment tax payments and increasing minimum/maximum state unemployment tax rates by 0.06% (effective Jan 1, 2014), makes balance in the Unemployment Insurance Fund a factor in tax rate calculation, penalizes employers who fail to respond to requests for information regarding a claim, and requires employers filing 'attached claims' for employees planned to remain on payroll have a positive account balance or make a voluntary contribution to the Unemployment Insurance Fund to bring account balance to zero or better, establishes a maximum weekly benefit amount of \$350 (in line with average of surrounding states), and bases weekly benefit amount on average of last two quarters worked, sets maximum duration of benefits at 20 weeks, ties duration to seasonally adjusted unemployment rate, redefines 'suitable work' to include any employment offered after tenth week of benefit at 120% of weekly benefit amount, and limits 'good cause' reasons for leaving employment to military spouse relocation and domestic violence, increases from 10 to 30 consecutive days an individual can be placed on disciplinary suspension and increases from 20% to 50% of work hours reduction to still qualify for benefits.

HB 74	Regulatory Reform Act of 2013	2nd Reading Conference Report	Aye	78-34
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Requires state agencies produce a fiscal impact statement on proposed rule changes determined to cost all parties \$1 million or more, and all established rules be reviewed within 10 years of enactment or automatically expire, prohibits municipalities (until October 2014) from enacting environmental regulations exceeding existing state or federal requirements without unanimous vote of a city council, and makes numerous changes to various regulations impacting manufacturers, utilities and businesses.

HB 998	Tax Simplification & Reduction Act	2nd Reading Conference Report	Aye	77-38
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Changes various aspects of state tax system including reduction to corporate tax rate from 6.9% to 6% in 2014 and 5% in 2015, and based on certain revenue targets, to 4% in 2016 and 3% in 2017, maintains the current franchise tax rate, expands the sales tax to include 'entertainment activities,' and imposes a sales tax on certain service contracts (warranty agreements, maintenance agreements, repair contracts or other contracts to maintain or repair tangible personal property), limits non-profit refund claims to \$45 million in a given year, eliminates \$50,000 business income deduction beginning in 2014, extends research and development credit to January 1, 2016 (allows other incentive tax credits to sunset as scheduled), caps gas tax until June 30, 2015 at 37.5 cents per gallon, repeals the estate tax, reduces personal income tax for individuals from 6 – 7.5% to a flat tax of 5.8% in 2014 and then to 5.75% in subsequent years, eliminates personal exemption but increases the standard deduction, maintains the exemption of social security income from state taxes, eliminates deduction of retirement income and severance wages, caps mortgage interest and property tax deduction on primary residences at \$20,000.

2013 HOUSE RECORDED VOTES



Bill	Short Title	Reading Vote	Preferred Vote	Vote Count
SB 112	Create Jobs Through Regulatory Reform	2nd Reading Amendment 3 (D. Hall)	No	39-72
Proposed to maintain State Personnel Act protections for Deputy Commissioners of the Industrial Commission, which original bill repealed.				
SB 112	Create Jobs Through Regulatory Reform	2nd Reading Amendment 8 (Harrison)	No	35-76
Proposed to restore 'protest petition' authority to municipalities, which original bill repealed. 'Protest petitions' require $\frac{3}{4}$ vote of city councils to amend, supplant, change, modify or repeal zoning ordinances.				
HB 677	Local Government Regulatory Reform	2nd Reading	Aye	73-41
Prohibits ordinances authorizing employers to withhold labor union dues from an employee's compensation or requiring employers to assume financial, legal or other responsibility for an employee's carbon footprint.				
HB 683	Commonsense Consumption Act	2nd Reading	Aye	73-36
Bars lawsuits against manufacturers, sellers, and advertisers (among others) of legal food products alleging consumption-related weight gain and obesity, precludes local governments from imposing portion restrictions on sale of soft drinks.				
SB 490	Exclude Custom Software from Property Tax	3rd Reading	Aye	96-20
Clarifies software modifications made to meet customer-specific needs constitute 'custom software' and thus exempts it from property tax.				
SB 76	Domestic Energy Jobs Act	3rd Reading Conference Report	Aye	70-40
Streamlines regulatory process and eliminates certain regulations governing energy exploration and production, requires periodic review and sunseting of existing rules, prohibits delayed enforcement of local ordinances, prohibits certain contract requirements by local governments.				

2013 HOUSE RECORDED VOTES



Bill	Short Title	Reading Vote	Preferred Vote	Vote Count
HB 706	Preserve Landfill Space	2nd Reading	Aye	104-12
Allows for the safe disposal of on-site demolition debris from the decommissioning of older manufacturing buildings				
HB 680	Jump-Start Our Business Start-Ups Act	2nd Reading	Aye	103-1
Promotes 'crowd funding,' a business capitalization mechanism using lower dollar contributions from a large number of individual investors.				
HB 120	Building Codes: Local Consistency/Exempt Cable	3rd Reading Amendment 2 (McGrady)	No	40-78
Proposed to retain 3-year cycle for comprehensive rewrite of the NC residential building code, whereas the original bill created a 6-year cycle.				
HB 817	Strategic Transportation Investments	2nd Reading Motion to Concur	Aye	105-8
Modifies the way North Carolina funds core infrastructure and transportation needs, implements a 'Strategic Mobility Formula' (replacing the 'Equity Formula'), a tiered funding structure prioritizing existing resources.				

2013 HOUSE VOTES



Bill #:		HB 4	HB 74	HB 998	SB 112 A3	SB 112 A8	HB 677	HB 683	SB 490	SB 76	HB 706	HB 680	HB 120 A2	HB 817
Dist.	Preferred Vote:	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
58	A. Adams	N	N	N	Y	Y	N	N	N	EA	Y	Y	Y	Y
107	K. Alexander	N	N	N	Y	Y	N	N	Y	NV	Y	Y	Y	Y
69	D. Arp	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
40	M. Avila	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
32	N. Baskerville	N	N	N	Y	Y	N	N	Y	N	EA	Y	Y	Y
10	J. Bell	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
21	L. Bell	N	N	N	Y	Y	N	N	Y	N	Y	Y	Y	Y
86	H. Blackwell	Y	N	Y	Y	N	Y	N	Y	Y	Y	Y	N	Y
62	J. Blust	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	N	Y
52	J. Boles	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	EA
60	M. Brandon	N	NV	N	Y	Y	N	NV	EA	N	Y	EA	Y	Y
95	R. Brawley	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	N
103	B. Brawley	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
22	W. Brisson	Y	EA	Y	N	NV	Y	N	Y	N	Y	Y	N	Y
55	M. Brody	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
9	B. Brown	Y	Y	Y	N	N	Y	Y	Y	Y	Y	EA	N	Y
81	R. Brown	Y	Y	Y	N	N	NV	Y	Y	Y	EA	Y	N	Y
88	R. Bryan	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
109	D. Bumgardner	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	N
67	J. Burr	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	EA
102	B. Carney	N	Y	N	Y	Y	N	N	Y	N	EA	Y	Y	Y
20	R. Catlin	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	Y	Y
14	G. Cleveland	Y	EA	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
25	J. Collins	Y	Y	Y	N	N	Y	Y	EA	Y	Y	Y	N	Y
74	D. Conrad	Y	Y	Y	N	N	Y	Y	N	Y	Y	Y	N	Y
100	T. Cotham	N	Y	N	Y	N	Y	N	Y	N	Y	EA	N	Y
106	C. Cunningham	N	N	N	Y	Y	N	NV	Y	N	Y	EA	Y	Y
26	L. Daughtry	Y	Y	Y	EA	EA	Y	N	Y	NV	Y	Y	N	Y
19	T. Davis	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
4	J. Dixon	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y

Vote Key: Y=Aye N=No EA= Excused Absence NV=Not Voting EV=Excused Vote

2013 HOUSE VOTES



Bill #:		HB 4	HB 74	HB 998	SB 112 A3	SB 112 A8	HB 677	HB 683	SB 490	SB 76	HB 706	HB 680	HB 120 A2	HB 817
Dist.	Preferred Vote:	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
85	J. Dobson	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	EA	N	Y
36	N. Dollar	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	N	Y
101	B. Earle	N	N	N	Y	Y	N	N	N	N	Y	EA	Y	Y
94	J. Elmore	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
61	J. Faircloth	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	Y	Y
24	J. Farmer-Butterfield	N	N	N	Y	Y	N	EA	N	N	N	Y	Y	NV
114	S. Fisher	N	N	N	Y	Y	N	N	N	N	N	Y	Y	Y
43	E. Floyd	N	Y	N	N	Y	N	N	Y	N	Y	Y	Y	N
76	C. Ford	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
50	V. Foushee	N	N	N	Y	Y	N	N	N	N	N	Y	EA	Y
49	J. Fulghum	Y	Y	Y	N	N	Y	Y	Y	EV	Y	Y	N	Y
33	R. Gill	N	N	N	Y	Y	N	N	Y	N	N	Y	Y	N
44	R. Glazier	N	N	N	Y	Y	N	EA	Y	N	Y	Y	Y	Y
66	K. Goodman	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y	N	Y
12	G. Graham	N	N	N	Y	Y	N	N	N	N	Y	Y	Y	Y
47	C. Graham	N	N	EA	EA	EA	N	N	N	N	Y	Y	Y	Y
112	M. Hager	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
11	D. Hall	N	N	N	Y	Y	N	N	N	N	Y	Y	Y	Y
29	L. Hall	N	N	N	Y	Y	N	N	N	N	Y	Y	Y	Y
18	S. Hamilton	N	Y	N	Y	N	N	N	Y	N	Y	Y	Y	Y
72	E. Hanes	N	Y	N	Y	Y	N	N	N	N	N	Y	Y	Y
59	J. Hardister	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	N	Y
57	P. Harrison	N	N	N	Y	Y	N	N	N	N	N	Y	Y	N
110	K. Hastings	N	Y	Y	N	N	Y	Y	Y	Y	Y	EA	N	Y
38	Y. Holley	N	N	N	Y	Y	N	N	Y	N	Y	Y	Y	Y
73	M. Hollo	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
91	B. Holloway	Y	Y	Y	N	N	Y	Y	Y	N	Y	Y	N	Y
68	C. Horn	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
79	J. Howard	Y	EA	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
70	P. Hurley	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y

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2013 HOUSE VOTES



Bill #:		HB 4	HB 74	HB 998	SB 112 A3	SB 112 A8	HB 677	HB 683	SB 490	SB 76	HB 706	HB 680	HB 120 A2	HB 817
Dist.	Preferred Vote:	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
17	F. Iler	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
56	V. Insko	N	N	N	EA	EA	N	N	EA	N	N	Y	Y	Y
39	D. Jackson	N	N	EA	Y	Y	N	Y	Y	N	Y	Y	Y	Y
92	C. Jeter	Y	Y	Y	N	N	Y	Y	Y	N	Y	EA	N	Y
83	L. Johnson	Y	Y	Y	N	N	EA	EA	Y	Y	Y	Y	N	NV
65	B. Jones	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
93	J. Jordan	Y	Y	Y	N	N	Y	Y	Y	EA	Y	Y	N	Y
75	D. Lambeth	Y	EA	Y	N	N	Y	Y	N	Y	Y	Y	N	Y
28	J.H. Langdon	Y	Y	Y	N	N	EA	EA	Y	Y	Y	Y	N	Y
53	D. Lewis	Y	Y	Y	EA	N	EA	Y	Y	Y	Y	Y	N	Y
42	M. Lucas	N	N	N	Y	Y	N	N	Y	N	Y	Y	Y	Y
30	P. Luebke	N	N	N	Y	Y	N	N	N	EA	N	Y	Y	Y
35	C. Malone	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
8	S. Martin	Y	Y	Y	EA	EA	Y	Y	Y	Y	Y	Y	N	Y
13	P. McElraft	EA	Y	Y	N	N	Y	Y	Y	EA	Y	EA	N	Y
117	C. McGrady	Y	N	Y	N	N	Y	Y	Y	N	Y	Y	Y	Y
54	D. McManus	N	N	N	Y	N	N	N	Y	N	Y	EA	Y	Y
78	A. McNeill	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
31	M. Michaux	N	N	N	Y	Y	N	N	N	N	N	Y	Y	Y
16	C. Millis	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
5	A. Mobley	N	N	N	Y	Y	N	EA	N	N	N	Y	Y	Y
116	T. Moffitt	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
99	R. Moore	N	Y	N	Y	N	N	N	Y	Y	Y	Y	Y	Y
111	T. Moore	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
41	T. Murry	Y	EA	Y	N	N	Y	Y	Y	Y	Y	Y	N	EA
48	G. Pierce	N	N	N	EA	EA	N	Y	N	N	Y	Y	Y	Y
82	L. Pittman	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
118	M. Presnell	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
119	J. Queen	N	N	N	Y	N	N	EA	Y	N	Y	Y	Y	N
115	N. Ramsey	Y	Y	Y	N	N	Y	Y	Y	Y	Y	NV	N	Y

Vote Key: Y=Aye N=No EA= Excused Absence NV=Not Voting EV=Excused Vote

2013 HOUSE VOTES



Bill #:		HB 4	HB 74	HB 998	SB 112 A3	SB 112 A8	HB 677	HB 683	SB 490	SB 76	HB 706	HB 680	HB 120 A2	HB 817
Dist.	Preferred Vote:	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
7	B. Richardson	N	N	N	Y	Y	N	N	N	N	N	EA	Y	N
64	D. Riddell	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
63	S. Ross	Y	Y	Y	N	N	Y	NV	Y	Y	Y	Y	N	Y
97	J. Saine	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
104	R. Samuelson	Y	Y	Y	N	N	Y	Y	Y	EA	Y	Y	N	Y
105	J. Schaffer	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
89	M. Setzer	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
15	P. Shepard	Y	EA	Y	N	N	N	Y	Y	Y	Y	Y	N	Y
3	M. Speciale	Y	Y	Y	Y	N	Y	N	Y	Y	Y	Y	N	Y
37	P. Stam	Y	Y	EA	Y	N	Y	Y	Y	Y	Y	Y	N	Y
87	E. Starnes	Y	Y	Y	N	N	Y	Y	Y	Y	Y	N	N	Y
1	B. Steinburg	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
90	S. Stevens	Y	EA	Y	N	N	EA	EA	Y	Y	Y	Y	N	Y
51	M. Stone	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
45	J. Szoka	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
71	E. Terry	N	N	N	Y	Y	N	N	N	N	N	Y	Y	Y
98	T. Tillis	Y	Y	Y	NV	NV	NV	NV	NV	NV	NV	NV	NV	NV
6	P. Tine	Y	Y	N	N	Y	N	Y	Y	N	Y	Y	N	N
23	J. Tolson	N	N	N	Y	Y	N	N	N	N	Y	Y	Y	Y
108	J. Torbett	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
84	R. Turner	Y	Y	Y	N	N	Y	Y	Y	Y	Y	EA	N	EA
46	K. Waddell	N	Y	Y	N	Y	N	N	Y	N	Y	Y	N	Y
77	H. Warren	Y	Y	NV	N	N	Y	Y	Y	Y	Y	Y	N	Y
96	A. Wells	N	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
120	R. West	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
113	C. Whitmire	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
2	W. Wilkins	N	N	N	Y	Y	N	N	Y	N	Y	EA	Y	Y
27	M. Wray	N	N	N	Y	Y	N	N	Y	EA	Y	Y	Y	Y

Vote Key: Y=Aye N=No EA= Excused Absence NV=Not Voting EV=Excused Vote

METHODOLOGY



Following the adjournment of the 2013 Session of the NC General Assembly, more than 400 business leaders and government affairs professionals were confidentially surveyed by the NC FreeEnterprise Foundation.

This included a broad cross section of the business community representing a wide range of industries, economic interests and geographic areas across the state.

The survey contained two parts:

- An **Objective Evaluation**, consisting of the up to five pieces of legislation, for both the House and Senate, the respondent felt *'presented a clear philosophical division on key issues of interest and concern to the business community,'* as well as the particular vote on the legislation (whether on a bill, an amendment, or a specific motion) and the respondent's identified preferred position. (Note: NCFEF does not lobby or take stated positions on legislation, so relies on survey responses in this regard).
- A **Subjective Evaluation** of every legislator based on the respondent's *'personal experience as to the percentage of the time that legislator was supportive on issues important to the overall business climate of North Carolina.'* Additionally, respondents were asked to consider factors such as *'legislators making themselves accessible for information sharing and discussion, and maintaining a business-like approach to the conduct of legislative duties.'* Respondents were asked to make this assessment using a 100-point scale (in 10 point increments), and rate only those legislators they knew well enough to assess.

The Research Committee of the NCFEF Board reviewed all Objective Evaluation recommendations on legislation/vote/preferred business position, and selected those reflecting an appropriately diverse array representing:

- meaningful issues to the business community,
- matters in which free enterprise principles were distinctly involved, and
- a clear distinction of legislative perspectives on business issues.

Voting histories were secured from the NC General Assembly website, and matched against the preferred position on the selected legislation to produce an Objective score that reflects the percentage of time a legislator voted the preferred position.

*** It is the prerogative of the Speaker of the House to vote or not to vote on bills before the House. During the 2013 Session, House Speaker Thom Tillis cast votes on only three of the bills selected, therefore his evaluation was based on those votes and on the subjective portion of the 2013 Business Ratings.*

METHODOLOGY



For calculation of Objective and Subjective scores to form an overall Business Rating for each legislator the following weighting scale is used:

Percent of all Votes Used that are Contested Votes*	Weighting: Subjective to Objective
80% - 100%	1:1
60% - 79%	2:1
40% - 59%	3:1
20% - 39%	4:1
0 - 19%	5:1

**Percentages of contested votes are rounded to nearest whole number.*

A contested vote is when 10% or more of the legislators present and voting cast their vote opposite the prevailing vote. For example, if 50 senators are present and voting, and the prevailing vote is 'Aye,' at least 5 senators must vote 'No' for the vote to be considered a contested vote.

Due to the significance of subject matter, some uncontested bills were included among those selected by the Research Committee for the 2013 Legislative Business Ratings.

As both House and Senate at least 80% of votes selected by the Research Committee for consideration fall under the contested definition, a weighting of 1:1 Subjective to Objective was applied to produce a Business Rating for each member serving during the 2013 Session of the NC General Assembly.

For information on legislation and votes referred to in this report, visit the NC General Assembly website at www.ncleg.net.



The North Carolina FreeEnterprise Foundation is a 501(c)(3) nonprofit organization that provides innovative educational programs, non-partisan political research, and objective analysis to foster informed civic involvement, develop an understanding of the free enterprise economy, and strengthen North Carolina's prosperous business environment.

NOTES:

NOTES:



Yes, we will support the research and analysis work done by the **North Carolina FreeEnterprise Foundation** with a charitable contribution of:

Leadership Circle - \$5,000 Partners - \$2,500

Sustainers - \$1,000 Supporters - \$500

Other: \$ _____

Enclosed is a check payable to the NC FreeEnterprise Foundation.

Please send an invoice for the above amount.

Please charge this contribution to Mastercard Visa American Express:

Card number _____ Exp Date _____ V code _____

Name on card _____

Billing address _____ City/State/Zip _____

I hereby authorized the above charge in the amount noted above: Signature _____ Date _____

Organization/Business _____

Contact person _____

Address _____

City, State, Zip _____

Office Phone _____ Mobile Phone _____

E-mail _____

Also, please contact me regarding NCFEF sponsorship opportunities.

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