



The Holloway Report:

NC House of Representatives
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Greetings from Raleigh! The North Carolina General Assembly has been in session now for a month. Committee assignments have been made, and members continue to work on legislation and prepare bills for filing. As in past sessions, many hot topics are beginning to surface, and the debate is heating up on a number of issues that I will be discussing in coming months. Recently, Governor Mike Easley released his version of the North Carolina budget, and members of the General Assembly are continuing to review his proposals. However, the governor's budget is only the beginning process of developing a budget. The North Carolina House and Senate must create a version as well. After all three proposals are made public, a final compromise budget will be presented to the legislature for approval.

As with all budgets, the governor's budget has some positives that I would vote for on an individual basis. However, as an overall package, I did not approve of his budget. The biggest criticism I have of the entire budget process is the fact that the legislature and the governor do not use a zero-based budget format. A zero-based budget would allow the legislators to vote "yes" or "no" on each individual expenditure. This would replace the current budget process that takes last year's budget and adds 5-10% in spending, which results in the need for more revenue.

I was also disappointed that the governor's budget did not address the Medicaid issue facing the counties. North Carolina is the only state that forces the counties to finance Medicaid. Property taxes are the only true revenue source counties have, and as Medicaid costs expand, property taxes potentially increase. Several legislators including myself are working to give counties relief, and help counties lower property taxes. North Carolina should join the other forty-nine states and finance Medicaid at the state level, continuing to give the vulnerable the assistance they need, and help provide an atmosphere for commissioners to lower property taxes.

Other concerns I have with the governor's budget include the failure to give tax relief to all North Carolina citizens, and continuing to keep temporary taxes that should have expired over six years ago. The budget also failed to address the structural deficit that we are facing, and once again transferred more than a hundred million dollars from the highway fund to use for other endeavors.

I was happy that the governor provided some tax relief for citizens below the poverty line, but as I stated earlier, other citizens should not have been left out. Middle class citizens, many of which are small businesses owners, are paying the bulk of the taxes, and we should give them some relief. How can we expect their families to grow and prosper if we do not provide them with some much needed relief?

I will return in the next few weeks with more information on bills that I am working on and issues facing the North Carolina General Assembly. Until then, take care and God bless.

Sincerely,

A handwritten signature in cursive script that reads "Bryan D. Holloway". The ink is dark and the signature is fluid and legible.

Representative Bryan Holloway, 91st District