

2010 SPPACE Questionnaire

DANIEL CLODFELTER Candidates for the North Carolina General Assembly State Senate – District 37

1. What are the top three issues facing your district and how would you address them?

The top issue for all districts in the state is the mismatch between the state's 80-year old revenue system and the rate of growth in state expenditures, especially for education and Medicaid. Until we can get Medicaid spending under control and can modernize our antiquated revenue system, we will continue to experience large annual budget gaps. One consequence of this is that we have limited excess revenue to commit to infrastructure improvement and repair, at a time when the state is growing very rapidly. I have been an outspoken proponent of comprehensive tax reform and of finding a dedicated stream of revenue for additional capital infrastructure investment.

2. In 2007, the North Carolina General Assembly authorized counties, subject to voter approval, the ability to impose an additional general fund revenue source (a .4% land transfer tax or a .25% sales tax). To date, the transfer tax has been defeated in every county where it has been considered. Would you support legislation to repeal the transfer tax option?

I have previously voted for legislation to repeal the local authority to levy a ¼ cent transfer tax and will do so again. The current transfer tax (deed stamp tax) is levied at the state level and is committed to capital purposes, and I believe this should continue as it is.

3. Would you support a local bill enabling Mecklenburg County to impose a real estate transfer tax or impact fee?

No.

4. Because North Carolina is facing an estimated \$3 billion shortfall, comprehensive tax reform for the state continues to be at the forefront of discussion in the General Assembly. The prevailing thought is to “broaden the base and lower the rate”. This means taxing items, services, transactions, etc. that are currently untaxed and either reducing the rate or eliminating altogether the taxes on items, services, transactions, etc. that are taxed at a high rate. Are you in agreement with this concept? Please explain your answer.

I am in agreement with the broad concept of broadening the tax base by eliminating many special allowances, credits, and exemptions and then lower the resulting tax rates. I am also a proponent of simplifying the taxation of business enterprises by reducing the number of different taxes and eliminating the current discrimination in the tax laws that affected businesses that are similarly situated. The devil, of course, is in the details. I have given numerous extended presentations on this topic and can't possibly distill all the important points into a short answer.

- 5. There are over 20 different environmental agencies in the State of North Carolina that regulate water, air quality and land use. Would you support the consolidation of these departments? Please explain your answer.**

Yes. I have investigated and am inclined to favor the concept of combining many of these agencies into a new and redesigned Environmental Management Commission, which would operate like and be structured like the Utilities Commission, having its own staff and members with expertise in the relevant issues. It would become a “single stop” for all rule-making and for all major permits.

- 6. Do you support giving North Carolina’s Counties the authority to hold a “Pennies for Progress” referendum similar to South Carolina’s? (South Carolina’s program is a ¼ cent sales tax dedicated to a specific list of projects that sunsets after a period of time or when the projects are completed.) Please explain your answer.**

In the 2009-2010 session I proposed SB 910, which addresses this subject. It is not exactly like the South Carolina “Pennies for Progress” and is considerably more comprehensive, but it does include elements from the South Carolina program.

- 7. Would you consider changing the current NCDOT funding formula to make it more equitable for the growing urban areas? If so, what would you propose?**

Yes, and I have taken several concrete steps already in this direction. I have passed legislation that exempts federal congestion mitigation funding from the “equity formula,” and in the recently adjourned session I was one of the main sponsors and developers of the new congestion mitigation fund, which will target high congestion projects and will be exempt from the “equity formula.”

- 8. Would you support a Vehicle Miles Traveled (VMT) tax as a means to pay for road construction and/or maintenance?**

I have done limited study of this concept. While it has some logic to it, as a substitute for the current gasoline tax, there are problems of measurement, collection, and administration and I do not believe have been satisfactorily resolved yet.