

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1989**

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**SENATE BILL 891**

Short Title: Child Care Tax Incentives Study.

(Public)

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Sponsors: Senators Allran; Ballance, Barker, Block, Bryan, Carpenter, Cochrane, Conder, Daniel, Hardin, Harris, Hunt of Moore, Johnson of Cabarrus, Johnson of Wake, Marvin, Murphy, Richardson, Sands, Shaw, Sherron, Simpson, Smith, and Taft.

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Referred to: Rules & Operation of the Senate.

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April 17, 1989

A BILL TO BE ENTITLED

AN ACT TO CREATE A COMMISSION TO STUDY TAX INCENTIVES FOR  
BUSINESSES PROVIDING CHILD CARE OPTIONS.

Whereas, the American family has undergone dramatic changes, with one consequence being that the fastest growing segment of the labor force is married women with young children; and

Whereas, by 1995, two-thirds of all preschool children (approximately 15 million) will have mothers in the work force—an increase of more than fifty percent (50%) over the 1986 figure of 9.6 million; and

Whereas, the labor force and population are forecast to grow more slowly than at any time since the decade of the Great Depression; and

Whereas, these trends foreshadow a serious need by the business community to attract and keep workers in the labor force to maintain and encourage economic growth; and

Whereas, the business community has come to view child care as an economic necessity because studies reveal that companies that offer some form of child care assistance report lower job turnover, lower absenteeism, improved employee attitudes, higher employee retention rates, and improved public relations; and

Whereas, according to the North Carolina Commission on Jobs and Economic Development, the future economic growth and prosperity of the State depends on the ability of business and industry to attract new workers into the work

1 force, to increase the productivity of those workers currently employed, and to prepare  
2 future generations for success in school and the work force; and

3       Whereas, assisting employees in obtaining quality child care is one essential  
4 way to accomplish these three goals; and

5       Whereas, the federal government has recognized a need for assisting and  
6 encouraging employers to play a more significant role in solving the child care crisis by  
7 creating major tax incentives for business to develop or promote child care; Now,  
8 therefore,

9 The General Assembly of North Carolina enacts:

10       Section 1. The Tax Incentives for Businesses Providing Day Care Options  
11 Study Commission is created. The Commission shall:

- 12       (1) Undertake a comprehensive review of State and federal programs  
13 encouraging business and industry to provide adequate child care for  
14 their employees;
- 15       (2) Analyze what the State is currently doing to encourage North Carolina  
16 businesses and industry to provide adequate child care for their  
17 employees;
- 18       (3) Identify the North Carolina employers that presently provide child care  
19 options for their employees and what types of options they provide;
- 20       (4) Undertake a comprehensive study of the types of tax incentives and  
21 other incentives that would encourage North Carolina businesses—  
22 especially those that have 50 or more employees—to either provide on-  
23 site child care facilities or provide other child care options and the cost  
24 to the State of these tax incentives;
- 25       (5) Recommend what the State could be doing to encourage North  
26 Carolina businesses to provide on-site child care facilities or other  
27 child care options for their employees;
- 28       (6) Recommend a comprehensive policy for North Carolina to encourage  
29 businesses within the State to provide on-site child care facilities or  
30 other child care options for their employees.

31       Sec. 2. The Commission shall consist of 14 members to be appointed as  
32 follows:

- 33       (1) Four members of the Senate, one of whom shall be appointed by the  
34 President of the Senate, and three of whom shall be appointed by the  
35 President Pro Tempore of the Senate; and the President of the Senate  
36 shall designate a cochairman;
- 37       (2) Three public members, one of whom shall be an officer or  
38 representative of a major business in the State, appointed by the  
39 President of the Senate, one of whom shall be a representative from the  
40 private child care industry, appointed by the President of the Senate,  
41 and one of whom shall be a citizen representing the public at large,  
42 appointed by the Governor;

1 (3) Four members of the House of Representatives appointed by the  
2 Speaker of the House of Representatives, one of whom shall be  
3 designated cochairman;

4 (4) Three public members appointed by the Speaker of the House of  
5 Representatives, one of whom shall be an officer or representative of a  
6 major business in the State, one of whom shall be a citizen  
7 representing the public at large, and one of whom shall be a  
8 representative from a child care public interest organization.

9 Sec. 3. Members appointed to the Commission shall serve until the  
10 Commission makes its final report. Vacancies on the Commission shall be filled in the  
11 same manner as the original appointments were made.

12 Sec. 4. Upon request of the Commission or its staff, all State departments  
13 and agencies and all local government agencies shall furnish to the Commission or its  
14 staff any information in their possession or available to them.

15 Sec. 5. The Commission shall submit a final report of its findings and  
16 recommendations to the General Assembly on or before the first day of the 1991  
17 Session of the General Assembly, by filing the report with the Speaker of the House of  
18 Representatives and the President Pro Tempore of the Senate. The Commission shall  
19 terminate upon filing its final report.

20 Sec. 6. The Commission shall have its initial meeting on or before October 1,  
21 1989. The Commission shall meet upon the call of the cochairmen.

22 Sec. 7. Upon approval of the Legislative Services Commission, the  
23 Legislative Administrative Officer shall assign professional and clerical staff to assist in  
24 the work of the Commission. Clerical staff shall be furnished to the Commission  
25 through the offices of House and Senate supervisors of clerks. The expenses of  
26 employment of the clerical staff shall be borne by the Commission. The Commission  
27 may meet in the Legislative Building or the Legislative Office Building upon the  
28 approval of the Legislative Services Commission.

29 Sec. 8. Members of the Commission shall be paid per diem, subsistence and  
30 travel allowances as follows:

31 (1) Commission members who are also General Assembly members, at  
32 the rate established in G.S. 120-3.1;

33 (2) Commission members who are officials or employees of the State or  
34 local government agencies, at the rate established in G.S. 138-6;

35 (3) All other Commission members at the rate established in G.S. 138-5.

36 Sec. 9. There is appropriated from the General Fund to the General  
37 Assembly the sum of thirty thousand dollars (\$30,000) for the 1989-90 fiscal year and  
38 the sum of twenty thousand dollars (\$20,000) for the 1990-91 fiscal year to fund the  
39 Commission created by this act. Funds appropriated for the Commission for the 1989-  
40 90 fiscal year but not expended for that purpose may be expended during the 1990-91  
41 fiscal year.

42 Sec. 10. This act shall become effective July 1, 1989.