## GENERAL ASSEMBLY OF NORTH CAROLINA

## **SESSION 1995**

H 1

## **HOUSE BILL 1434**

Short Title: LRC/Change Welfare to Charity/Funds.	(Public)
Sponsors: Representative Aldridge.	
Referred to: Rules, Calendar and Operations of the House.	

## June 3, 1996

1 A BILL TO BE ENTITLED

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AN ACT AUTHORIZING THE LEGISLATIVE RESEARCH COMMISSION TO STUDY PROPOSALS TO SHIFT RESPONSIBILITY FOR ASSISTANCE TO THE ECONOMICALLY DISADVANTAGED FROM GOVERNMENT TO PRIVATE CHARITY.

Whereas, in order to reduce the cost of welfare, all proposals addressing welfare reform should be examined; and

Whereas, there is growing support for a proposal known as "Taxpayer Choice," designed to shift responsibility for assistance to the economically disadvantaged from government to private charity; and

Whereas, Bob Dole has proposed that a portion of tax dollars now allocated to government welfare programs be turned back to individual taxpayers, who could then allocate the money to charities of their choosing; and

Whereas, under this Taxpayer Choice proposal, taxpayers could be given a tax credit for charitable contributions to organizations dedicated to helping the poor, as proposed in S. 846, introduced in Congress by Senator John Ashcroft of Missouri; and

Whereas, this Taxpayer Choice proposal should be revenue neutral, reducing government welfare appropriations to offset the cost of incentives that give taxpayers the choice to allocate their tax dollars to private charitable organizations which distribute the funds to those in need; and

Whereas, proponents of this idea believe that since private charities have been working efficiently and successfully, a greater portion of tax dollars would reach those in need, rather than support the bureaucratic process of the current welfare programs; and

Whereas, proponents also believe that since the private charities are part of the communities that they serve and know the members of their communities, they would be better suited to distribute donations to those in need; and

Whereas, implementation of the Taxpayer Choice proposal at the State level merits study by the Legislative Research Commission; Now, therefore,

The General Assembly of North Carolina enacts:

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- Section 1. (a) The Legislative Research Commission is authorized to study the Taxpayer Choice proposal for shifting responsibility for assistance to the economically disadvantaged from government to private charity.
- (b) The Commission shall report its findings and recommendations to the 1997 General Assembly.
- Sec. 2. There is appropriated from the General Fund to the Legislative Research Commission the sum of five thousand dollars (\$5,000) for the 1996-97 fiscal year to conduct the study authorized by this act.
  - Sec. 3. This act becomes effective July 1, 1996.