

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE JOINT RESOLUTION 850

Sponsors: Representatives C. Wilson; Buchanan and Sexton.

Referred to: Rules, Calendar and Operations of the House.

April 12, 1995

1 A JOINT RESOLUTION REQUESTING CONGRESS TO DEVOLVE THE
2 UNEMPLOYMENT INSURANCE SYSTEM BACK TO STATE CONTROL.

3 Whereas, the mood of the citizenry, local public officials, and elected
4 officials of both parties, reflects the view that the federal government has become an
5 outmoded and almost paralyzed command and control bureaucracy; and

6 Whereas, in 1988 the National Governors Association presented a proposal to
7 devolve the unemployment insurance (UI) system back to the states, which proposal
8 was defeated by a minority of states still receiving more than their fair share of
9 operating expenses of the UI system; and

10 Whereas, because some states, North Carolina among them, are more
11 efficient in their operation of the UI system than other states, the employer tax dollars of
12 these more efficient states should not be used to support the inefficiencies of the other
13 states in operating the UI system; and

14 Whereas, North Carolina employers are responsible for paying tax dollars for
15 their own employees' coverage under the UI system and should not be responsible for
16 paying other states' costs to provide coverage; and

17 Whereas, the current UI system has too many levels of bureaucracy both
18 nationally and regionally; and

19 Whereas, the UI trust fund in Washington, D.C. is contained within the
20 "unified budget" but should be separate since only employers pay this tax and do so for a
21 very specific purpose; and

22 Whereas, employers are confused and burdened by having to pay two
23 separate UI taxes to two different government agencies for the operation of the

1 unemployment insurance (UI), employment service (ES), and LMI (local market
2 information) programs, and for paying benefits; and

3 Whereas, state legislatures should have the authority to run their own UI
4 system to fit the needs of their own workforce at a reduced cost and savings to the
5 employers through lower UI taxes; and

6 Whereas, several other states are considering similar initiatives and
7 resolutions proposing devolution of the UI system; Now, therefore,

8 Be it resolved by the House of Representatives, the Senate concurring:

9 Section 1. The North Carolina General Assembly requests that the Congress
10 of the United States devolve the Unemployment Insurance (UI) system back to the
11 states, and that Federal Unemployment Tax Act (FUTA) taxes be repealed, and that
12 states be authorized to set their own method for administrative costs in implementing
13 UI, ES, and LMI programs.

14 Sec. 2. The Secretary of State shall transmit a certified copy of this resolution
15 to the President of the United States, the President of the United States Senate, the
16 Speaker of the United States House of Representatives, and to each of the members of
17 North Carolina's Congressional Delegation.

18 Sec. 3. This resolution is effective upon ratification.