

How Election Results Will Impact North Carolina Businesses

11.09.2016

After a lengthy and contentious campaign, voters have chosen new leaders for our nation and state. Those choices could impact North Carolina businesses in a number of significant ways.

What happened on November 8?

President

Republican Donald Trump won the White House with a significant margin in the Electoral College and carried North Carolina by 50% to 46% over Democrat Hillary Clinton.

Congress

Incumbent Republican Senator Richard Burr was elected to a third term defeating Democrat Deborah Ross by 51% to 45%. All of North Carolina's incumbent US House members won and a new member—Republican Ted Budd of Davie County—was elected in the 13th district. Republicans hold 10 of the State's 13 US House seats. Republicans maintained control of both the US House (238-193 majority with 4 races undecided) and the United States Senate (51 seats with 2 races undecided). All signs at this time point to the House and Senate Republican Majority leadership remaining the same and Democratic Senator Chuck Schumer of New York in line to become the Senate Minority Leader with Senator Harry Reid's retirement.

Governor

Democratic Attorney General Roy Cooper holds about a 5,000 vote lead over Republican incumbent Governor Pat McCrory with 100 percent of precincts reporting. Although Cooper claimed victory, there are an undetermined amount of provisional ballots yet to be counted and thus, it is unclear if his lead will hold. It is also possible that this contest could be decided after a recount. It will likely be later this month before a winner is certified in this race.

Council of State

In addition to the race for Governor, there were nine other statewide offices on the ballot. Several long-time incumbents lost their seats and the partisan balance of the Council of State shifted. Prior to the election, Democrats held a 6-4 advantage in the Council of State. If current leads hold, this

split will be reversed, with Republicans holding a 6-4 advantage.

Lieutenant Governor

Republican incumbent Dan Forest easily won re-election in a rematch against former House Representative Linda Coleman.

Commissioner of Agriculture

Longtime Republican Commissioner Steve Troxler easily won re-election against Democratic challenger Walter Smith.

Attorney General

Former Democratic State Senator Josh Stein leads Republican State Senator Buck Newton by about 20,000 votes in this race, which could lead to a recount.

State Auditor

Incumbent Democrat Beth Wood currently holds a slim lead of 3,101 votes over Republican challenger Chuck Stuber. This is another race that could be decided by a recount.

Commissioner of Insurance

Republican Mike Causey upset two-term Democratic incumbent Wayne Goodwin by a margin of less than one percent.

Commissioner of Labor

Republican incumbent Cherie Berry won a decisive victory over Democrat Charles Meeker, the former Mayor of Raleigh.

Secretary of State

Democrat Elaine Marshall, who has served as Secretary of State for 20 years, won re-election to another term.

State Treasurer

Former Republican House Representative Dale Folwell defeated Democrat Dan Blue III in the open race for this post vacated by Democrat Janet Cowell, who did not seek re-election.

Superintendent of Public Instruction

Republican challenger Mark Johnson, a member of the Winston-Salem/Forsyth County Board of Education, defeated incumbent Democrat June Atkinson, who was running for a fourth term as Superintendent.

General Assembly

The biggest question in this election cycle for the General Assembly was whether Republicans would hold their “supermajorities” (60% of those voting) in both houses. Supermajorities are important in that if members vote their party label, they can override a Governor’s veto of a bill. This becomes especially important if the Governor is a different party than the General Assembly majority.

Republicans did retain their supermajorities by increasing their numbers in the Senate to 35 to 15 and a margin of 74 to 46 in the House.

Judiciary

Democrat Mike Morgan, a Wake County Superior Court Judge, defeated incumbent Republican Justice Bob Edmunds by a nine-point margin. This changes the Court to a 4 to 3 Democratic majority.

What Does the Election Mean for Businesses?

The new year will get off to a fast start with the inauguration of the Governor and other State officials on January 7 and the opening of the Legislative session on January 11. Even with some key races undecided, certain policy trends will likely continue given that the Republicans maintain a supermajority in the General Assembly.

Here are some areas to watch:

- ***Economic Development*** – a continuing examination of the role of incentives and how to spur job growth in rural North Carolina
- ***Education*** – funding for educator salaries, textbooks, and technology; the role of charter schools; and aid to private school students

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- **Environment and Energy** – continuing regulatory reform and growth in the State’s energy economy
- **Health Care** – examining the role of insurance exchanges, the certificate of need process and the continuation of Medicaid reform
- **Judiciary** – increasing funding for technology in the courtroom
- **Taxes** – following recent reductions in the corporate and personal income tax rates, the debate could include moving to market-based sourcing when calculating corporate income tax, expanding the State sales tax to cover additional services, and changing the distribution of sales tax proceeds between urban and rural counties.

For more information, contact a member of the Brooks Pierce Government Affairs Team, linked below.

PEOPLE

Marcus Trathen

Ed Turlington

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