

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL 992
Finance Committee Substitute Adopted 6/18/26
Third Edition Engrossed 6/24/26

Short Title: Truth in Taxation.

(Public)

Sponsors:

Referred to:

May 4, 2026

1 A BILL TO BE ENTITLED
2 AN ACT TO IMPLEMENT TRUTH IN TAXATION PROCEDURES WHEN A GOVERNING
3 BODY OF A TAXING UNIT INTENDS TO ADOPT A TAX RATE EXCEEDING THE
4 REVENUE-NEUTRAL TAX RATE IN ANY YEAR A GENERAL REAPPRAISAL IS
5 CONDUCTED AND TO INCREASE THE FEE FOR REINSTATING AN EXPIRED
6 REAL ESTATE APPRAISER TRAINEE REGISTRATION, LICENSE, OR
7 CERTIFICATE.

8 The General Assembly of North Carolina enacts:

9 **SECTION 1.(a)** G.S. 159-13(b) is amended by adding a new subdivision to read:

10 "(7a) In the year in which a general reappraisal of real property has been conducted,
11 the governing board shall follow the procedure required under G.S. 159-13.3
12 in order to adopt a property tax rate exceeding the revenue-neutral property
13 tax rate determined under G.S. 159-11(e)."

14 **SECTION 1.(b)** Chapter 159 of the General Statutes is amended by adding a new
15 section to read:

16 **"§ 159-13.3. Adoption of tax rate exceeding revenue-neutral tax rate.**

17 (a) Rate Prohibition. – In each year in which a general reappraisal of property is
18 conducted, the governing body of a taxing jurisdiction may not adopt a property tax rate
19 exceeding the revenue-neutral tax rate determined under G.S. 159-11(e) unless a resolution or
20 ordinance has been approved by the governing body as provided under this section.

21 (b) General Notice of Intent. – The governing body shall publish notice of its intent to
22 exceed the revenue-neutral tax rate in the following formats:

23 (1) In a newspaper of general circulation in the taxing jurisdiction at least one
24 week prior to the public hearing required under subsection (d) of this section.

25 (2) On the website of the governing body, if applicable, at least 10 days prior to
26 the public hearing required under subsection (d) of this section.

27 (c) Specific Notice of Intent. – At least 14 days prior to the public hearing required under
28 subsection (d) of this section, the governing body shall send notice, or otherwise cause notice to
29 be sent, to each taxpayer with real property in the taxing jurisdiction of the governing body's
30 intent to exceed the revenue-neutral tax rate. The notice must be sent by first-class mail to the
31 taxpayer's last known address or electronically if the taxpayer has consented to receive notice by
32 electronic means. The notice shall include, at a minimum, the following information specific to
33 the taxing unit:

34 (1) The proposed amount of property tax revenue needed to balance the taxing
35 unit's budget.



- (2) The revenue-neutral tax rate determined under G.S. 159-11(e).
(3) The proposed tax rate for the upcoming tax year.
(4) The amount of tax due on the property for the current tax year.
(5) The estimated amount of tax due on the property for the upcoming tax year if the revenue-neutral rate is adopted.
(6) The estimated amount of tax due on the property for the upcoming tax year if the proposed tax rate is adopted.
(7) The date, time, and location of the public hearing.

(d) Public Hearing. – The governing body shall hold a public hearing on the issue of exceeding the revenue-neutral tax rate. If the governing body is proposing to adopt a property tax rate in excess of the revenue-neutral tax rate in its budget ordinance, the public hearing may be held at or before the public hearing required under G.S. 159-12; however, if the public hearing occurs at the same time as the public hearing required under G.S. 159-12, the governing body shall dedicate a portion of the hearing to the issue of exceeding the revenue-neutral property tax rate at which time any persons who wish to be heard on the subject may appear. If subsection (g) of this section applies, the governing body shall hold a separate public hearing prior to amending the budget ordinance.

(e) Majority Approval. – The governing body shall vote on the matter of exceeding the revenue-neutral property tax rate at the hearing required under subsection (d) of this section. The governing body shall adopt a resolution or ordinance to exceed the revenue-neutral property tax rate by majority vote which shall occur prior to adopting the budget ordinance or, if subsection (g) of this section applies, amending the budget ordinance.

(f) Tax Refund. – A governing body that fails to comply with this section shall refund any amount of property taxes collected in excess of the amount that would have been collected under the revenue-neutral property tax rate. Refunds provided for under this section are considered lawfully issued refunds under G.S. 105-380.

(g) Amending the Budget Ordinance. – If the governing body of a taxing jurisdiction adopts a property tax rate at or below the revenue-neutral tax rate in its budget ordinance, but then seeks to amend the budget ordinance to increase the property tax rate above the revenue-neutral tax rate due to the local government receiving revenues that are substantially less than the amount anticipated, as authorized under G.S. 159-15, the governing body shall follow the procedures required under this section prior to amending the budget to adopt the increased property tax rate.

(h) Applicability. – This section shall not apply when the governing board is ordered to amend its budget to increase or reduce a property tax levy or in any manner alter a property taxpayer's liability by a court of competent jurisdiction, or by a State agency having the power to compel the levy of taxes by the governing board, as provided under G.S. 159-15."

SECTION 1.(c) This section is effective when it becomes law and applies to budget ordinances adopted for fiscal years beginning on or after July 1, 2027.

SECTION 2.(a) G.S. 93E-1-7(c) reads as rewritten:

"(c) All trainee registrations, licenses, and certificates reinstated after the expiration dates shall be subject to a late filing fee of ~~ten-twelve dollars (\$10.00) (\$12.00)~~ per month for each month or part thereof that the trainee registration, license, or certificate is lapsed, not to exceed one hundred twenty dollars (\$120.00). The late filing fee shall be in addition to the required renewal fee. In the event a trainee, licensee, or certificate holder fails to reinstate the trainee registration, license, or certificate within 12 months after the expiration date thereof, the Board may, in its discretion, consider the person as not having been previously registered, licensed, or certified, and thereby subject to the provisions of this Chapter relating to the issuance of an original trainee registration, license, or certificate, including the examination requirements set forth herein. Applications to reinstate trainee registrations, licenses, or certificates expired for 12

1 or more months shall be accompanied by the fee required for an original trainee registration,
2 license, or certificate."

3 **SECTION 2.(b)** This section becomes effective July 1, 2026, and applies to
4 registrations, licenses, and certificates reinstated on or after that date.

5 **SECTION 3.(a)** G.S. 105-380(a) reads as rewritten:

6 "(a) The governing body of a taxing unit is prohibited from releasing, refunding, or
7 compromising all or any portion of the taxes levied against any property within its jurisdiction
8 except as expressly provided in this Subchapter. Subchapter or under G.S. 159-13.3."

9 **SECTION 3.(b)** This section is effective when it becomes law and applies to refunds
10 issued on or after that date.

11 **SECTION 4.(a)** G.S. 159-15 reads as rewritten:

12 **"§ 159-15. Amendments to the budget ordinance.**

13 Except as otherwise restricted by law, the governing board may amend the budget ordinance
14 at any time after the ordinance's adoption in any manner, so long as the ordinance, as amended,
15 continues to satisfy the requirements of G.S. 159-8 and 159-13. However, except as otherwise
16 provided in this section, no amendment may increase or reduce a property tax levy or in any
17 manner alter a property taxpayer's liability, unless the board is ordered to do so by a court of
18 competent jurisdiction, or by a State agency having the power to compel the levy of taxes by the
19 board.

20 If after July 1 the local government receives revenues that are substantially more or less than
21 the amount anticipated, the governing body may, before January 1 following adoption of the
22 budget, amend the budget ordinance to reduce or increase the property tax levy to account for the
23 unanticipated increase or reduction in ~~revenues-revenues~~, provided that the governing body
24 adheres to the requirements under G.S. 159-13.3.

25 The governing board by appropriate resolution or ordinance may authorize the budget officer
26 to transfer moneys from one appropriation to another within the same fund subject to such
27 limitations and procedures as it may prescribe. Any such transfers shall be reported to the
28 governing board at its next regular meeting and shall be entered in the minutes."

29 **SECTION 4.(b)** This section is effective when it becomes law and applies to
30 amendments to budget ordinances adopted for fiscal years beginning on or after July 1, 2027.

31 **SECTION 5.** Except as otherwise provided, this act is effective when it becomes
32 law.