



HOUSE BILL 100: Expand Religious Property Tax Exemption.

2025-2026 General Assembly

Committee:	House Housing and Development. If favorable, re-refer to Finance. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	March 12, 2025
Introduced by:	Reps. Pyrtle, Sauls, N. Jackson, Scott	Prepared by:	Ike McRee
Analysis of:	First Edition		Committee Co-Counsel

OVERVIEW: *House Bill 100 would amend G.S. 105-278.3 to provide that undeveloped land acquired by a religious entity that is contiguous to tax exempted land owned by the religious entity is also tax exempted for not more than five years if (i) the undeveloped land does not exceed two hundred percent (200%) of the land currently tax exempted and (ii) the religious entity certifies that within five years the undeveloped land will be used or development will begin for the exclusive religious use of the undeveloped land.*

CURRENT LAW: Under Section 2 of Article V of the North Carolina Constitution, the General Assembly may exempt from property tax cemeteries and property held for educational, scientific, literary, cultural, charitable, or religious purposes. G.S. 105-278.3 provides that buildings, land actually occupied by buildings, and additional adjacent land reasonably necessary for convenient use of the building is tax exempted if owned by a religious entity and exclusively used for religious purposes. Generally, property owned by a religious entity and held as a future site for the construction of a building or other development for religious purposes, but currently unused, is not property used for a religious purpose and is not tax exempted.

BILL ANALYSIS: House Bill 100 would amend G.S. 105-278.3 to provide that undeveloped land acquired by a religious entity that is contiguous to tax exempted land owned by the religious entity is also tax exempted for not more than five years if (i) the undeveloped land does not exceed two hundred percent (200%) of the land currently tax exempted and (ii) the religious entity certifies that within five years the undeveloped land will be used or development will begin for the exclusive religious use of the undeveloped land. If the certification requirements are not met, the undeveloped land is subject to discovery and taxed for the year the discovery is made and the previous five years the property was tax exempted.

EFFECTIVE DATE: The act would be effective for taxes imposed for taxable years beginning on or after July 1, 2026.

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Legislative Analysis
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