



HOUSE BILL 432: Property Tax Relief Study.

2025-2026 General Assembly

Committee:	House Finance. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 15, 2025
Introduced by:	Reps. Echevarria, Winslow, N. Jackson, Dixon	Prepared by:	Trina Griffin
Analysis of:	PCS to First Edition H432-CSSVf-5		Staff Attorney

OVERVIEW: *The Proposed Committee Substitute for House Bill 432 directs the Revenue Laws Study Committee to examine the current property tax relief programs and consider other property tax reforms to determine whether any modifications should be made to reduce the property tax burden on certain homeowners. The Committee must report its findings and recommendations to the 2026 Regular Session of the General Assembly.*

BILL ANALYSIS: The PCS for House Bill 432 deletes the original contents of the bill and substitutes a study provision that directs the Revenue Laws Study Committee to do the following:

- Examine the following property tax relief programs currently available for certain homeowners:
 - Elderly or disabled property tax homestead exclusion
 - Property tax homestead circuit breaker
 - Disabled veteran property tax homestead exclusion
- Evaluate options that could provide additional property tax relief under those programs, such as increasing the exclusion amounts, increasing the income threshold, or modifying the definition of income; with respect to the circuit breaker program, modifying the deferred tax obligation or the age and disability requirements, or tying the income limit to a percentage of area median income.
- Consider mechanisms that would expand property tax relief to homeowners more broadly such as limiting year-to-year property tax increases and valuation growth, providing homeowners with alternative payment plans, or implementing methods, such as annual statistical adjustments, to capture year-over-year property valuation changes to minimize the impact of reappraisals.
- Examine the uniformity requirement in Article V, Section 2 of the North Carolina Constitution and evaluate whether to amend the North Carolina Constitution to allow counties the option of making one or more of these changes at the local level.
- Consider the positive and negative impacts on local government ad valorem tax revenues of providing additional property tax relief and whether the State should reimburse local governments or provide local governments with additional revenue-generating authority to backfill lost revenue due to enhanced property tax relief. As part of this consideration, the Committee may seek input from the North Carolina Association of County Commissioners or the North Carolina League of Municipalities.
- Review property tax relief programs in other states.

To the extent the Committee undertakes this study, it must report its findings and make any legislative recommendations, to the 2026 Regular Session of General Assembly.

EFFECTIVE DATE: This act would be effective when it becomes law.

Kara McCraw
Director



Legislative Analysis
Division
919-733-2578