



# SENATE BILL 992: Truth in Taxation.

2025-2026 General Assembly

**Committee:** Senate State and Local Government. If **Date:** June 16, 2026  
favorable, re-refer to Finance. If favorable, re-refer to Rules and Operations of the Senate

**Introduced by:** Sens. Ford, B. Newton, McInnis **Prepared by:** Nicholas Giddings  
**Analysis of:** First Edition **Staff Attorney**

**OVERVIEW:** *Senate Bill 992 would do the following:*

- *Implement procedures a local government unit must follow to adopt a property tax rate that exceeds the revenue-neutral tax rate in any year a general reappraisal becomes effective.*
- *Increase the fee for reinstating an expired real estate appraiser trainee registration, license, or certificate.*

**CURRENT LAW/BILL ANALYSIS:**

**Section 1**

Counties are required to reappraise all real property within their jurisdiction at least once every eight years; however, counties may choose to optionally advance the date of their reappraisal by passing a resolution designating a more frequent reappraisal cycle. In each year in which a general reappraisal of real property has been conducted, the budget officer must include in the proposed budget, for comparison purposes, a statement of the revenue-neutral property tax rate. The revenue-neutral rate is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no reappraisal had occurred.<sup>1</sup> As the revenue-neutral rate is for comparison purposes only, the governing body is not required to adopt it. Instead, the governing body may adopt any tax rate necessary to balance its budget.

**Section 1** of Senate Bill 992 would implement procedural requirements that a local government must follow to adopt a property tax rate that exceeds the revenue-neutral rate in any year a general reappraisal becomes effective. To adopt a property tax rate exceeding the revenue-neutral rate, the governing body must hold a public hearing and do the following prior to that hearing:

- Publish notice of intent to exceed the revenue-neutral rate (i) in a newspaper of general circulation at least 1 week prior to the hearing and (ii) on the government's website at least 10 days prior to the hearing.
- Notify the county clerk of its intent to exceed the revenue-neutral rate at least 30 days prior to the hearing. The clerk must then send notice, by first class mail or electronic mail, to all affected

<sup>1</sup> G.S. 159-11(e) instructs that the revenue-neutral rate is calculated as follows:

1. Determine a rate that would produce revenues equal to those produced for the current fiscal year.
2. Increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal.
3. Adjust the rate to account for any annexation, deannexation, merger, or similar event.

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taxpayers at least 10 days prior to the hearing. The notice must contain the following information for each taxing unit associated with the taxpayer's property that is proposing to adopt a rate in excess of its revenue-neutral rate:

- The proposed amount of revenue the unit needs to balance its budget.
- The revenue-neutral rate.
- The proposed tax rate.
- The amount of tax due on the property for the current tax year.
- The estimated amount of tax due on the property for the upcoming year (i) if the revenue-neutral rate is adopted and (ii) if the proposed tax rate is adopted.
- The date, time, and location of the public hearing.

The public hearing may occur before or at the public hearing to adopt the budget. If the hearing is held at the same as the budget hearing, the local unit must dedicate a portion of the hearing to the issue of exceeding the revenue-neutral rate so that any member of the public may speak directly about that matter. The governing body must adopt, by majority vote, a resolution or ordinance to exceed the revenue-neutral rate prior to adopting the budget.

Any governing body that fails to follow the required procedure must refund any amount of property tax collected in excess of the amount that would have been collected under the revenue-neutral rate.

## **Section 2**

All registered trainees and licensed and certified real estate appraisers must renew their registration, license, or certification annually. The deadline to renew is June 30 and the renewal fee is \$200. However, any registration, license, or certificate reinstated after the deadline incurs a \$10 per month late fee, not to exceed \$120.

**Section 2** of Senate Bill 992 would increase the late fee to \$12 per month.

**EFFECTIVE DATE:** Section 1 would be effective when it becomes law and apply to budget ordinances adopted for fiscal years beginning on or after July 1, 2027. Section 2 would become effective July 1, 2026, and apply to registrations, licenses, and certificates reinstated on or after that date.