

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL 992
Finance Committee Substitute Adopted 6/18/26

Short Title: Truth in Taxation.

(Public)

Sponsors:

Referred to:

May 4, 2026

A BILL TO BE ENTITLED

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

The General Assembly of North Carolina enacts:

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

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

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

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

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

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

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

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

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

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

(2) The revenue-neutral tax rate determined under G.S. 159-11(e).



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1 (3) The proposed tax rate for the upcoming tax year.

2 (4) The amount of tax due on the property for the current tax year.

3 (5) The estimated amount of tax due on the property for the upcoming tax year if
4 the revenue-neutral rate is adopted.

5 (6) The estimated amount of tax due on the property for the upcoming tax year if
6 the proposed tax rate is adopted.

7 (7) The date, time, and location of the public hearing.

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

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

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

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

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

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

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

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

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

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

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

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

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

10 **"§ 159-15. Amendments to the budget ordinance.**

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

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

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

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

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