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House Committee Advances Property Tax Constitutional Amendment

N.C. House property tax committee members advanced a draft constitutional amendment on a split vote Wednesday. Meeting for the last time before the start of the legislative Short Session next week, the [House Select Committee on Property Tax Reduction and Reform](#) gave its stamp of approval to previously released [language](#) that would result in limits on local property tax levies. With the committee's affirmative vote, the draft language is eligible for introduction in the upcoming legislative session, which begins April 21.

Specifically, [the proposal](#) would direct legislators to limit the amount of tax collections from one year to the next, if voters approved a state constitutional amendment written to say, "The General Assembly shall enact general laws limiting the amount by which the levy of taxes on property may increase, which may include exceptions." Legislators could pass those general laws this session, making them effective upon voter approval of the amendment.

Committee members debated the amendment for about half of the 45-minute meeting Wednesday. Legislators acknowledged concerns they had heard from local officials, but some said that they favored property tax limitations as a way to rein in extraneous local spending. (Read more about legislators' committee comments in [this WRAL report](#) on the meeting.) Property taxes pay for key services residents and businesses expect, such as public safety, which typically makes up over 50 percent of a municipality's budget.

Now is the time to express your concern to state legislators about this proposal. Share with them the general points in [this one-pager](#) and the public safety points in [this one-pager](#).

- Describe what property taxes pay for in your city or town. On average, in NC cities and towns, half of the budget funded primarily by these revenues pays for police and fire, while another 20% funds roads.
- Explain the effects of artificial limits on your funding. Examples include higher borrowing costs due to the lower bond ratings that would likely result from these limitations; an inability to respond to skyrocketing costs like those experienced

this decade; and difficulties in paying for needs after floods and other natural disasters.

- Discuss the fiscal realities your city or town has faced in paying for essential services. Over the past five years, many North Carolina municipalities have seen an 80% increase in street resurfacing costs, an average 33% increase in entry-level police officer market-rate salaries, and a 50% increase in the cost of a fire truck and other public safety vehicles.
- Ask legislators to remain a partner with your city on economic development. Property taxes pay for basic services that support businesses and continue to allow our state to grow.

Along with the constitutional amendment proposal, the House committee voted to advance one other proposal Wednesday. This [draft legislation](#), also now eligible for introduction in the Short Session, would close a controversial affordable housing property tax loophole.



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