

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025**

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**HOUSE BILL 432  
PROPOSED COMMITTEE SUBSTITUTE H432-PCS40526-SVf-5**

Short Title: Property Tax Relief Study.

(Public)

Sponsors:

Referred to:

March 19, 2025

A BILL TO BE ENTITLED  
AN ACT TO DIRECT THE REVENUE LAWS STUDY COMMITTEE TO EXAMINE THE  
CURRENT PROPERTY TAX RELIEF PROGRAMS FOR ELDERLY, DISABLED, AND  
DISABLED VETERAN HOMEOWNERS; TO EVALUATE WHETHER ANY  
MODIFICATIONS SHOULD BE MADE TO REDUCE THE PROPERTY TAX BURDEN  
ON THOSE HOMEOWNERS; TO CONSIDER OTHER PROPERTY TAX REFORMS;  
AND TO REPORT ITS FINDINGS AND RECOMMENDATIONS, IF ANY, TO THE 2026  
REGULAR SESSION OF THE GENERAL ASSEMBLY.

The General Assembly of North Carolina enacts:

**SECTION 1.** The Revenue Laws Study Committee is directed to study options for enhancing the property tax relief currently afforded to low-income, elderly, and disabled citizens and disabled veterans and consider other property tax reforms that may reduce the property tax burden while balancing the potential impact on local government revenues. In conducting the study, the Committee may do the following:

- (1) Examine the following property tax relief programs currently available for certain homeowners: (i) elderly or disabled property tax homestead exclusion (G.S. 105-277.1), (ii) property tax homestead circuit breaker (G.S. 105-277.1B), and (iii) disabled veteran property tax homestead exclusion (G.S. 105-277.1C).
- (2) Evaluate options that could provide additional property tax relief under the programs listed in subdivision (1) of this section, such as:
  - a. Increasing the exclusion amounts.
  - b. Increasing the income threshold or examining the definition of "income."
  - c. With respect to the circuit breaker, modifying the deferred tax obligation or the age and disability requirements, raising the income limit, or tying the income limit to a percentage of area median income.
- (3) 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.
- (4) Examine the uniformity requirement in Article V, Section 2 of the North Carolina Constitution and evaluate whether to amend the North Carolina



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1 Constitution to allow counties the option of making one or more of these  
2 changes at the local level.

3 (5) Consider the positive and negative impacts on local government ad valorem  
4 tax revenues of providing additional property tax relief and whether the State  
5 should reimburse local governments or provide local governments with  
6 additional revenue-generating authority to backfill lost revenue due to  
7 enhanced property tax relief. As part of this consideration, the Committee may  
8 seek input from the North Carolina Association of County Commissioners or  
9 the North Carolina League of Municipalities.

10 (6) Review property tax relief programs in other states.

11 The Committee may consult with any other relevant State, local, or private entity in  
12 conducting the study required by this act. The Committee must report its findings, along with  
13 any legislative recommendations, to the 2026 Regular Session of the 2025 General Assembly.

14 **SECTION 2.** This act is effective when it becomes law.