

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

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BILL DRAFT 2025-DFxfz-5 [v.4]

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)  
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Short Title: Nonprofit Hospital Property Tax Mods.

(Public)

Sponsors:

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO REDUCE THE AMOUNT OF A NONPROFIT HOSPITAL'S PROPERTY TAX  
3 EXEMPTION.  
4 The General Assembly of North Carolina enacts:  
5 SECTION 1. G.S. 105-278.8 reads as rewritten:  
6 "§ 105-278.8. Real and personal property used for charitable hospital purposes.  
7 (a) Exemption Generally. – Real and personal property that is held for or owned by a  
8 hospital organized and operated as a nonstock, nonprofit, nonprofit charitable institution (without  
9 without profit to members or their successors) shall be exempted from taxation if successors and  
10 that is actually and exclusively used for charitable hospital purposes.purposes is exempt from  
11 taxation in the amount of fifty percent (50%) of the appraised value of the property.  
12 (b) Partial Exemption. – Notwithstanding the ~~exclusive use~~ exclusive use requirements  
13 of subsection (a), ~~above,(a)~~ (a) of this section, if part of a property that otherwise meets that  
14 subsection's requirements is used for a purpose that would require exemption under that  
15 subsection if the entire property were so used, ~~the valuation~~ fifty percent (50%) of the appraised  
16 value of the part so used shall be exempted is exempt from taxation.  
17 (c) Charitable Hospital Purpose. – Within the meaning of this section, a charitable  
18 hospital purpose is a hospital purpose that has humane and philanthropic objectives; it is a  
19 hospital activity that benefits humanity or a significant rather than limited segment of the  
20 community without expectation of pecuniary profit or reward. However, the fact that a qualifying  
21 hospital charges patients who are able to pay for services rendered does not defeat the exemption  
22 granted by this section."  
23 SECTION 2. This act is effective for taxes imposed for taxable years beginning on  
24 or after July 1, 2026.



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