

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 115

Short Title: Child Care Facility Tax Exemption. (Public)

Sponsors: Representatives Cohn, Crawford, Clark, and K. Brown (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Finance, if favorable, Health, if favorable, Education - K-12, if favorable, Rules,
Calendar, and Operations of the House

February 13, 2025

A BILL TO BE ENTITLED

AN ACT TO EXEMPT QUALIFYING CHILD CARE FACILITIES FROM PROPERTY TAX.

The General Assembly of North Carolina enacts:

SECTION 1. Article 12 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-278.6B. Qualified child care facility.

(a) Classification. – Buildings, the land they actually occupy, and additional adjacent land reasonably necessary for the convenient use of the buildings owned by a qualifying child care facility and used in the operation of that facility are designated a special class of property under Section 2(2) of Article V of the North Carolina Constitution and excluded from taxation to the extent provided in this section.

(b) Definitions. – The following definitions apply in this section:

(1) Child care. – Defined in G.S. 110-86.

(2) Child care facility. – Defined in G.S. 110-86.

(3) Properly licensed. – A child care facility operating with a current license in accordance with Article 7 of Chapter 110 of the General Statutes.

(4) Qualifying child care facility. – A properly licensed child care facility.

(c) Total Exclusion. – A qualifying child care facility that is actually and exclusively used to provide child care qualifies for total exclusion under this section.

(d) Partial Exclusion. – Notwithstanding the exclusive-use requirements of subsection (c) of this section, if part of a qualifying child care facility that otherwise meets that subsection's requirements is used for a purpose that would require exemption under that subsection if the entire property were so used, the valuation of the part so used shall be exempted from taxation.

(e) Exclusion During Administrative Penalty Prohibited. – A child care facility shall not receive the exclusion provided by this section during any period in which the facility is placed on probation or has its license suspended or revoked by the Secretary of the Department of Health and Human Services. The Department of Health and Human Services shall notify the Department of Revenue if the Secretary places a facility on probation or suspends or revokes a facility's license.

(f) Application for Exclusion. – The application requirements of G.S. 105-282.1 apply to this section."

SECTION 2. This act is effective for taxes imposed for taxable years beginning on or after July 1, 2026.

