



# NORTH CAROLINA GENERAL ASSEMBLY

2025 Session

## Legislative Fiscal Note

**Short Title:** Const. Amend. Property Tax Levy Limit.  
**Bill Number:** House Bill 1089 (First Edition)  
**Sponsor(s):** Rep. Echevarria, Rep. Howard, Rep. Setzer, and Rep. Paré

### SUMMARY TABLE

#### FISCAL IMPACT OF H.B.1089, V.1

	<u>FY 2026-27</u>	<u>FY 2027-28</u>	<u>FY 2028-29</u>	<u>FY 2029-30</u>	<u>FY 2030-31</u>
<b>State Impact</b>					
General Fund Revenue	-	-	-	-	-
Less Expenditures	-	-	-	-	-
<b>General Fund Impact</b>	<b>No Fiscal Impact</b>				
<b>NET STATE IMPACT</b>					
<b>No Fiscal Impact</b>					
<b>Local Impact</b>					
Local Revenue	-	-	-	-	-
Less Local Expenditures	-	-	-	-	-
<b>NET LOCAL IMPACT</b>	<b>No Fiscal Impact</b>				

### FISCAL IMPACT SUMMARY

The bill would require a referendum to be held on a Constitutional Amendment that would require the General Assembly to enact laws limiting how much county and municipal property tax levies can increase.

The bill is estimated to have no fiscal impact because:

- The outcome of the ballot measure is unknown, and the specifics of a potential levy limit the General Assembly would enact are not specified in the bill, but would be addressed by a future fiscal note should the referendum pass, and
- Additional costs associated with administering the election for the referendum are anticipated to be minimal.

## FISCAL ANALYSIS

HB 1089 would put to the voters of the State the question of whether or not to adopt a Constitutional Amendment to require the General Assembly limit how much a local government’s property tax revenues can increase. The election would be held in November 2026. FRD estimates the bill has no fiscal impact as 1) it is only holding a referendum—the specifics of any limits on levies would be specified in subsequent legislation following the referendum passing, and 2) FRD anticipates any additional costs of placing a second statewide referendum on the same ballot would be minimal and could be absorbed using existing local board of elections resources. Each of these two matters are discussed in the following sections.

### Levy Limit

If successful, the referendum would enact an amendment to the State Constitution that would require the General Assembly to enact limits on how much revenue can be generated from property tax. The specific criteria needed to compute an estimate are not contained in HB 1089 and instead would be outlined in subsequent legislation if the amendment passes; for example, the bill does not require or prohibit the General Assembly to use or not use any specific variables to measure or define allowable increases in property tax revenues if the referendum is successful, such as growth percentages that are flat, based on population changes, on inflationary changes, a combination thereof, or something entirely different.

While there is no fiscal impact, Table 1 provides the following historical information on property tax levies by counties, municipalities, and the two together, including the percentage change in levies for each.

**Table 1: Historical County and Municipal Property Tax Revenues**

Fiscal Year	County Property Tax Revenues		Municipal (Towns, Cities, etc.)		County & Municipal	
	Revenues (\$ Billions)	Year Over Year Change	Revenues (\$ Billions)	Year Over Year Change	Revenues (\$ Billions)	Year Over Year Change
2019-20	8.1		3.3		11.3	
2020-21	8.3	2.8%	3.4	4.0%	11.7	3.2%
2021-22	8.7	4.4%	3.6	5.4%	12.3	4.7%
2022-23	9.1	5.0%	3.8	6.2%	12.9	5.4%
2023-24	9.8	7.6%	4.2	9.7%	14.0	8.2%
2024-25	10.5	6.7%	4.6	11.6%	15.1	8.1%

Note: Values may not sum to totals shown due to rounding. Amounts shown do not include revenues from other districts, such as fire districts. Source: NC Department of Revenue.

### Referendum Costs

In addition to the traditional races appearing on a ballot in a midterm election (e.g., NC House of Representatives and Senate, U.S. House of Representatives, etc.), November 2026 election ballots will already contain one referendum for a Constitutional Amendment, which relates to requiring photo identification for voting. HB 1089 would add a second referendum to this ballot, but this is estimated to be of minimal additional cost because it is not creating fundamental changes (e.g., entirely separate election day, separate ballot, etc.). While the State and local boards of elections may incur additional administrative costs for a second referendum (e.g., ink for printing, extra

ballot pages because of spacing, etc.), FRD estimates these costs would be minimal and could be absorbed within additional resources.

**TECHNICAL CONSIDERATIONS**

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N/A.

**DATA SOURCES**

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NC Department of Revenue. NC State Board of Elections.

**LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS**

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This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

**CONTACT INFORMATION**

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Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

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May 4, 2026



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