



Bill Draft 2025-MCfy-226: Const. Amend. Property Tax Levy Limit.

2025-2026 General Assembly

Committee:	House Select Committee on Property Tax Reduction and Reform	Date:	March 18, 2026
Introduced by:		Prepared by:	Dan Ettefagh Committee Co-Counsel
Analysis of:	2025-MCfy-226		

OVERVIEW: Bill Draft 2025-MCfy-226 would submit to the voters of North Carolina the question of whether to amend the State Constitution to require the General Assembly to enact legislation limiting the property tax levy increase by counties and cities.

CURRENT LAW: The State Constitution may be amended by either a constitutional convention or by legislative action. An amendment proposed by legislative action must be approved by a vote of three-fifths of each house and submitted to the voters of the State. If a majority of the voters of the State approve, the amendment becomes effective either the January following the public vote or the date provided in the enactment.

The North Carolina Constitution (i) vests in the General Assembly the authority to grant units of local government the ability to levy property taxes and (ii) requires the authorization of those levies to be for purposes authorized by general law uniformly applicable throughout the State. The North Carolina General Statutes currently limits the authorization of property taxes generally to a maximum rate of \$1.50 per \$100 of value.

BILL ANALYSIS: The bill draft would submit to the voters of North Carolina, the question of whether to amend the State Constitution to require the General Assembly to enact limits on the amount by which the authorized property tax levy could be increased and allow for exceptions applicable to the limitations enacted.

The ballot question would be considered at the statewide general election to be held on November 3, 2026, and the ballot question would read:

"Constitutional amendment requiring limits on property tax increases by local governments."

EFFECTIVE DATE: This act is effective when it becomes law. If approved by a majority of the voters in the November 3, 2026, election, the amendment to the North Carolina Constitution will become effective upon certification of the referendum results.

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NC House committee backs constitutional amendment to limit rise in property taxes

BY: **GREG CHILDRESS** - MARCH 18, 2026 6:09 PM



 The House Select Committee on Tax Reduction and Reform discuss strategies to lower property taxes, March 18, 2026. (Photo: NCGA video screenshot)

North Carolina voters could be asked to consider a constitutional amendment requiring state lawmakers to limit city and county property tax increases.

The state House Select Committee on Property Tax Reduction and Reform signaled its support for the measure on a voice vote Wednesday during a meeting of the House Select Committee on Property Tax Reduction and Reform.

A referendum could be placed on the Nov. 3 general election ballot, pending state House and Senate approval.

Committee co-chairwoman Julia Howard (R-Davie) is certain voters will approve the measure if placed on the ballot.

“People are very concerned about their property tax, but they’re gonna speak loud and clear,” Howard said. “When they do, then it’s gonna be your responsibility to address the issue, and it’s not an easy fix.”



Rep. Julia C. Howard
(Photo: NC General Assembly)

Howard has asked House Speaker Destin Hall (R-Caldwell) to extend the committee's work for one year because of its complex nature. The committee is expected to take a formal vote on the amendment and several other tax reform measures next month.

"You still have time to think through it," Howard said. "That's why, I insisted that we have the bills or the drafts before you for at least 30 days before you vote."

Committee co-chair Rep. Erin Paré (R-Wake) said restricting property tax increases would give taxpayers "predictability."

"I think we really owe people a sense of predictability of what they're going to be looking at as far as their personal budgets, their household budgets, and that just hasn't been happening with these recent tax hikes that they've been seeing," Paré said.



Rep. Erin Paré (Photo: NCGA)

A draft of the amendment doesn't spell out how property tax increases would be restricted; it would only be a mandate to the General Assembly to limit increases. Lawmakers would determine how to do that in accompanying legislation.

Here are three most common types of property tax caps, according to [Kiplinger](#):

- An **assessment limit** caps how much the assessed value of your property can increase from one period to the next.
- A **rate limit** sets a cap for the rate at which a municipality can tax your property. This can help keep your tax bill from increasing when there hasn't been a change to your property's assessment.
- A **levy limit** caps how much property tax revenue a government can collect. The levy limit refers to all revenue, not only the revenue from one property.



Rep. Jeff Zenger
(Photo: NC General Assembly)

Rep. Jeff Zenger (R-Forsyth) suggested limiting tax increases to no more than 5% a year. He said local governments must tighten their belts in the same way they're forcing taxpayers to do.

"It concerns me how quickly we will make all of our constituents cut their spending and tighten their belts, but I have not heard one single municipality or county say, 'Hey, we could tighten up,'" Zenger said.

Zenger shared a letter from a 72-year-old woman who complained that her property taxes had increased 146%. He said it's going to cost her \$790 a month to stay in a home that's paid off.

“What does she do?” Zenger asked. “Does she go to Meals on Wheels and start getting Meals on Wheels, or does she stop taking medicine, or whatever? She’s on a fixed income.”

Hall touted the committee’s support for exploring a constitutional amendment on property tax levy limits in a statement after the meeting. Hall said property taxes are out of control.

“Families are getting ripped off as some, but by no means all, local governments rake in billions more than inflation and population growth warrant,” Hall said. “It’s time for real reform, which is why the House is pursuing solutions like levy limits to stop runaway property tax hikes and protect North Carolina taxpayers.”

Hall shared a [recent analysis from the John Locke Foundation](#) showing that over the past decade, nine of North Carolina’s 10 most populous counties taxed property owners nearly \$3 billion more than inflation and population growth could justify.

Rep. Maria Cervania (D-Wake) warned that limiting property tax levies could have dire consequences for local governments.

“If we put levy limits,” Cervania said, “our voters deciding this will defund the police.”

She said some municipalities have 55% of their budgets tied up in public safety, particularly law enforcement agencies. Cutting their ability to pay for those services will result in either fewer services or less funding for other needs, she said.



Rep. Maria Cervania
(Photo: NCGA)

“The decisions we make here are going to affect public safety, education, public health, and that money’s gonna shift someplace else,” Cervania said.