MECKLENBURG COUNTY
North Carolina

House Select Committee on Property Tax Reduction and Reform: Proposed Legislation

April 7, 2026

Background & Purpose

House Select Committee on Property Tax Reduction and Reform established December 2025

- Speaker Hall stated the intent of the Committee is to investigate “practical ways to reduce the burden on homeowners without undermining local services.”
- Mecklenburg delegation membership on the Committee includes Rep. Carney, Rep. Cunningham, Rep. Dew, and Rep. Majeed.
- Committee held four meetings and heard presentations on trends in home pricing, constitutional uniformity, governmental and nonprofit exemptions, recent federal funding, and proposed legislation.
- Purpose is to provide update on proposed legislation from the Committee presented on March 18, 2026.

Proposed Legislation

Constitutional Amendment Property Tax Levy Limit

Counties increase taxes within limits

PROPOSED: Bill could result in a levy cap

Affordable Housing Exemption Modifications

Exemption for investor and nonprofit partnership

PROPOSED: Bill sets ownership requirements

Nonprofit Hospital Property Tax Modifications

Zero property taxes if use is charitable purpose

PROPOSED: Bill limits exemption to 50%

Nonprofit Hospital Sales Tax Refund Modifications

Nonprofit sales tax refund for purchases

PROPOSED Bill limits amount and exemptions per entity

Current Law

Statute allows counties to levy property taxes up to $1.50 per $100 of the assessed value. The current property tax rate in Mecklenburg County is 49.27 ($0.4927) cent per $100 of the assessed value which is well below the statutory limit.

Impact to Mecklenburg County

There is no indication of the potential cap, but this will have a major impact on budget as 64% of the County's revenue is generated from property taxes. This will also shift more control of local property taxes to state lawmakers while counties continue to fund state responsibilities and create unreasonable administrative hurdles.

Ask of State Legislators

Vote no during the Committee meeting on April 15, 2026. In the event the bill is voted favorably out of Committee, vote no on the House floor.

Constitutional Amendment Property Tax Levy Limit

Referendum November 3rd on whether to amend the state constitution to allow the General Assembly to cap the city and county property tax levy.

Affordable Housing Exemption Modifications

Amends qualifications for tax exemption for affordable housing and sets rules to ensure exemption supports long-term affordable housing.

Current Law

Private investors can partner with nonprofits to reduce taxes without actually providing long-term affordable housing.

Proposed Law

Property must be owned by a nonprofit OR through partnership between nonprofits and investors if government funded. Provides for a 1 yr transition period to verify incomes for Naturally Occurring Affordable Housing (NOAH). The deferred tax period is limited to 5 years instead of 10 years. Fifty percent (50%) must be affordable with incomes < 80% of the AMI. Requires application for exemption and annual reports. Effective July 1, 2026.

Nonprofit Hospital Property Tax Modifications

Reduces the property tax exemption for nonprofit hospitals from 100% to 50%.

Current Law

Nonprofit hospitals receive a 100% property tax exemption on hospital buildings, medical equipment, land, and other property used for hospital operations if property is actually and exclusively used for charitable hospital purposes.

Charitable Hospital Purpose Defined

Any hospital activity that benefits humanity or a significant rather than limited segment of the community without expectation of pecuniary profit or reward. Hospitals may charge patients who are able to pay for services without losing the exemption.

Proposed Legislation

Bill would provide for a 50% property tax exemption effective July 1, 2026.

Considerations

Legislation accounts for growing hospital systems generating significant revenue and the creation of new property tax revenue for local governments.

Nonprofit Hospital Sales Tax Refund Modifications

Reduces sales tax refunds and limits qualifications for refunds.

Current Law

Refund limits are $31.7 million for state sales taxes and $13.3 million for local sales taxes. Parent organization, hospitals, clinics, affiliates, and subsidiaries each qualify for tax refunds.

Proposed Legislation

Refund limits are $10 million for state sales taxes and $4.25 million for local sales taxes. All hospitals, clinics, affiliates and subsidiaries under the parent organization would be treated as one single entity with the entire hospital system receiving one refund. Effective July 1, 2026

Considerations

Legislation accounts for large hospital systems receiving significant tax refunds due to the number of affiliates and the potential for an increase in local government revenue.

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Joint Meeting of State Delegation, City, County and CMS

Purpose

To strengthen our joint legislative efforts, discuss common legislative priorities, and communicate our requests of the NC General Assembly.

Date, Time, Location

April 14, 2026

10:00 am – 12:00 pm

Charlotte Mecklenburg Government Center, Room 267

Topics of Discussion

Public Safety

Property Tax & Budget

Health & Human Services

Discussion