



[Link to HB 1089](#)

HB 1089 Summary: Puts a constitutional amendment on the November 2026 general election ballot. The amendment would require the NC General Assembly (NCGA) to create a property tax “levy limit,” a.k.a. cap, restricting how much a local governments’ revenue from property taxes can grow each year. It includes no details about the structure of the limit that the NCGA would put in place. The amendment will go into place if a majority of voters approve it.

Strict property tax limits likely mean cuts to the local services that we all rely on

- Property taxes are a stable funding source that provides over one-third of funding for local governments in North Carolina.
- They’re the largest single source of revenue that pays for local services and resources such as public school buildings, elections, libraries, parks, and emergency services.
- In states where property tax limits were put into place recently, local governments have closed community pools, considered deep cuts to emergency services, cut hours and staffing at libraries, and more.

Local governments are already under pressure because of state and federal cuts

Evidence from other states show that tax limits lead local governments to rely more on unstable state funding — but in NC **nearly 15 years of state income tax cuts mean the state has its own revenue crisis**. Federal cuts to food assistance and other programs have shifted new costs onto counties. This leaves few options other than cutting services or raising service fees and fines, with the impacts falling hardest on the people with the lowest incomes.

Targeted property tax relief is a far better tool to address housing affordability

Property taxes can make housing less affordable and cause displacement pressures when they rise rapidly — but a levy limit won’t address these problems, which are driven by a lack of affordable housing supply, infrequent tax assessments, and inequities in the assessment process. **Tax caps have been shown to deepen existing inequities** by benefiting wealthy, white homeowners and widening resource gaps between wealthy and low-income areas.

The NCGA has the power to pass better policies now — a vague constitutional amendment that hamstringing local services isn’t the right tool

North Carolina’s existing property tax relief programs are extremely limited. If the legislature were serious about making our property tax system fairer, they could use the legislative process to make relief available to more income levels and ages, and reimburse local governments for their lost revenue.