



[Link to HB 1179](#)

HB 1179 Summary: Adjusts income eligibility for property tax relief and improves the appraisal process to promote equity; establishes a mechanism for local governments to receive reimbursement from the state for the deferred tax amount.

- Provides the full Elderly and Homestead Exclusion property tax relief to households at or below 55% state median income, phasing down relief for households with up to 80% of state median income;
- Allows senior property owners and residents to stack the homestead exemption and circuit breaker program to increase relief from property tax bills;
- Allows for multiple property owners to receive the benefit of property tax relief in proportion to their ownership interest;
- Makes the repayment of deferred property taxes in the circuit breaker program more manageable by tying it to the lower of the standard delinquency tax rate or the 10-year U.S. Treasury note yield;
- Creates a process for the state to reimburse local governments for all property taxes deferred under the circuit breaker program;
- Appropriates \$20 million to the NC Association of County Commissioners to improve data access and support more frequent appraisals, reducing inequities and improving assessment accuracy;
- Provides \$250,000 to study automatic income eligibility procedures that can streamline property tax relief applications;
- Provides \$2 million to the Attorney General to staff property tax appeals cases.

NC property tax relief programs are underused by those with fixed and low incomes, despite rising affordability issues.

Many households face rising costs while their incomes aren't keeping up. Yet, current property tax relief programs in NC have incredibly low income-eligibility thresholds that leave some fixed- and low-income homeowners without support. By raising eligibility thresholds, this bill could help more households with lower incomes access existing property tax relief programs.

Current property tax relief programs reduce local government revenue, so their expansion could put local services at risk.

Property taxes are a stable funding source and the largest single source of revenue for local governments. revenue enables investment in services like public schools, public health, public safety, parks, libraries, and more. When property tax relief programs reduce how much homeowners owe, local governments lose revenue that powers these local services.

By having the state reimburse local governments for lost revenue from property tax deferrals and exemptions, these programs can protect local budgets while expanding relief for homeowners. Other states



have established similar mechanisms, resulting in increased outreach by local governments to households about the programs and stability in funding for local services.

Local governments need more capacity to make property tax appraisals more equitable and accurate.

NC counties do not update property values often, and access to reliable property and market data can depend on whether a county can afford the tools needed to assess home values more accurately and fairly. By funding better data tools and local staffing capacity to conduct appraisals and revaluations, the bill could help counties update property values more regularly, improve accuracy, and reduce inequities in how homes are valued.