

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL 789

Short Title: Homes for Heroes. (Public)

Sponsors: Senator Bradley (Primary Sponsor).

Referred to: Rules and Operations of the Senate

April 22, 2026

A BILL TO BE ENTITLED
AN ACT TO CREATE A HOMEBUYERS' ASSISTANCE PROGRAM WITH THE NORTH
CAROLINA HOUSING FINANCE AGENCY FOR FIRST-TIME HOMEBUYERS WHO
WORK AS PUBLIC SERVANTS AND TO ALLOW AN INCOME TAX CREDIT TO
CERTAIN VOLUNTEER WORKERS FOR UNREIMBURSED BUSINESS EXPENSES.

The General Assembly of North Carolina enacts:

PART I. HOMEBUYERS' ASSISTANCE PROGRAM

SECTION 1.(a) As used in this section, the following definitions apply:

- (1) Active duty member. – As defined in G.S. 58-58-335(1).
- (2) Emergency medical services personnel. – As defined in G.S. 131E-155(7).
- (3) Firefighter. – As defined in G.S. 58-84-5(3a).
- (4) First-time homebuyer. – An individual who meets all of the following criteria:
 - a. Is purchasing the subject residential property.
 - b. Will reside in the subject residential property as a principal residence.
 - c. Has had no ownership interest, sole or joint, in a residential property during the three-year period preceding the date of the purchase of the subject residential property.
- (5) Law enforcement officer. – An individual employed by the State or a local government in this State as a sheriff, deputy sheriff, police officer, or member of the State Highway Patrol.
- (6) Public servant. – An active duty member or veteran, or a law enforcement officer, teacher, firefighter, or emergency medical services personnel employed in this State.
- (7) Teacher. – An individual whose major responsibility is to either teach or directly supervise teaching, as classified by the State Board of Education, in a public school unit, as that term is defined in G.S. 115C-5(7a).
- (8) Veteran. – As defined in G.S. 122C-465(3).

SECTION 1.(b) The Housing Finance Agency (Agency) shall establish a program operating under the Homeownership Assistance Fund, authorized under G.S. 122A-5.7, that provides assistance to first-time homebuyers that are employed full-time as public servants in this State. The Agency shall provide, in the form of reimbursement or direct payment, monies to be used for down payment assistance and to offset mortgage insurance premiums charged to program participants. First-time homebuyers shall be limited to the lesser of the sum of twenty-five thousand dollars (\$25,000) or ten percent (10%) of the purchase price for down payment assistance, mortgage insurance premium assistance, and closing costs. The Agency may



1 provide for mortgage insurance payment assistance at least monthly, but for no longer than 60
2 months for any single first-time homebuyer.

3 **SECTION 1.(c)** The Agency is hereby empowered to adopt, modify, or repeal rules
4 and regulations governing the provision of down payment assistance and mortgage insurance
5 assistance provided pursuant to this section.

6 **SECTION 1.(d)** There is appropriated from the General Fund to the Homeownership
7 Assistance Fund, authorized under G.S. 122A-5.7, the sum of two hundred million dollars
8 (\$200,000,000) in recurring funds for the 2026-2027 fiscal year to be used for the purposes
9 provided in this act.

10 **SECTION 1.(e)** This Part becomes effective July 1, 2026.

11 12 **PART II. INCOME TAX CREDIT FOR VOLUNTEER RESCUE WORKERS**

13 **SECTION 2.(a)** Part 2 of Article 4 of Subchapter I of Chapter 105 of the General
14 Statutes is amended by adding a new section to read:

15 **"§ 105-153.12. Credit for volunteer workers.**

16 (a) Credit. – A taxpayer who is an eligible firefighter or an eligible rescue squad worker
17 is allowed a credit against the tax imposed by this Part equal to the amount of ordinary, reasonable
18 business expenses related to the taxpayer's rescue work for which the taxpayer is not reimbursed
19 by the department or squad.

20 (b) Limitations. – The credit allowed under this section may not exceed the lesser of five
21 thousand dollars (\$5,000) or the amount of tax imposed by this Part for the taxable year reduced
22 by the sum of all credits allowed, except payments of tax made by or on behalf of the taxpayer.
23 A taxpayer may not claim a credit as both an eligible firefighter and as an eligible rescue squad
24 worker in a single taxable year.

25 (c) Definitions. – The following definitions apply in this section:

26 (1) Eligible firefighter. – An unpaid member of a volunteer fire department who
27 attended at least 36 hours of fire department drills and meetings during the
28 taxable year.

29 (2) Eligible rescue squad worker. – An unpaid member of a volunteer rescue or
30 emergency medical services squad who attended at least 36 hours of rescue
31 squad training and meetings during the taxable year.

32 (3) Rescue work. – Firefighting and rescue or emergency medical service."

33 **SECTION 2.(b)** This Part is effective for taxable years beginning on or after January
34 1, 2026.

35 36 **PART III. EFFECTIVE DATE**

37 **SECTION 3.** Except as otherwise provided, this act is effective when it becomes
38 law.