



NORTH CAROLINA GENERAL ASSEMBLY

2025 Session

Legislative Fiscal Note

Short Title: Brownfields Property Reuse Act Revisions.
Bill Number: Senate Bill 387 (Second Edition)
Sponsor(s): Sen. Tom McInnis, Sen. Timothy D. Moffitt, and Sen. Steve Jarvis

SUMMARY TABLE

FISCAL IMPACT OF SB 387(V.2)

| | <u>FY 2025-26</u> | <u>FY 2026-27</u> | <u>FY 2027-28</u> | <u>FY 2028-29</u> | <u>FY 2029-30</u> |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Local Impact | | | | | |
| Local Revenue | - | - | - | - | - |
| Less Local Expenditures | - | - | - | - | - |

NET LOCAL IMPACT

No Estimate Available-Refer to Fiscal Analysis Section

FISCAL IMPACT SUMMARY

The bill will have an unknown fiscal impact on local government revenues because it allows an additional brownfields tax benefit for subsequent property improvements after the brownfields agreement, and it provides that an executed brownfields confirmation from DEQ is sufficient to qualify for the brownfields property tax benefit.

FISCAL ANALYSIS

Current state law provides a partial property tax exclusion for owners of real property for the first five years after entering into a brownfields agreement with the Department of Environmental Quality (DEQ). The property is then appraised annually for subsequent improvements made to the property for the five years that the owners receive the tax benefit, and the amount excluded is based on the year in which they are receiving the benefit. Data on the amount and corresponding local revenue loss due to the current exclusion is not collected.

The bill adds an additional tax benefit for properties already receiving the current partial exclusion for an earlier qualified improvement. It also provides that a brownfields agreement need not be in place to qualify for the partial exclusion of qualifying improvements, but DEQ confirming the property's eligibility is sufficient.

The subsequent qualifying improvements would be entitled to a separate and new exclusionary period over five years. Each new qualifying improvement would trigger its own separate 5-year period of receiving the partial exclusion. FRD is unable to estimate the potential fiscal impact of



the bill because the number and appraised values of current and future qualifying improvements is unknown.

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

N.C. Department of Revenue.

LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

CONTACT INFORMATION

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