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Legislative Crush Takes Hold

A crush of legislation has taken hold at the NC General Assembly this week, including numerous bills and provisions affecting cities and towns. This Bulletin details legislators' actions on many of those measures. The peaking activity comes amidst ongoing state budget negotiations, which legislative leaders [acknowledged](#) this week would stretch beyond their initial June 15 target for completion.

The advice to city officials remains as always: **for the bills of most consequence to your municipality, call your House and Senate members to explain the impacts of the bill.** Legislators are being asked to consider many more proposals than those highlighted in this Bulletin, and they may not be aware of your town's priorities and concerns.

With the prolonged budget negotiations, the frenzied legislative pace will last a little longer into the summer, according to [comments](#) Senate President Pro Tem Phil Berger made Tuesday. "We told our members that if they have something they want to get through committee on the Senate side, they need to get it done by the end of next week."

Do not delay your outreach on issues of most importance to your city or town.

Senate Continues Parking Preemption Discussion

Legislation of Interest

[HB 369 Parking Lot Reform/Stormwater Control](#)

Who Votes Next: Senate

The [Senate Committee on Agriculture, Energy, and Environment](#) amended and then approved a revised version of [HB 369 Parking Lot Reform/Stormwater Control](#), a measure that now would preempt local government requirements for off-street parking spaces in 80 counties. Excluded from the preemption provision as a result of a committee-approved amendment are 20 coastal counties and some historical districts, meaning local governments retain authority to require off-street parking in those areas.

The bill also includes a provision related to stormwater facilities and the calculation of “built-upon area” that drives stormwater requirements. Previously, the Committee had altered those provisions in a way that prompted cities and towns to withdraw support for that part of the bill. Those stormwater provisions were added to House Bill 376 at the same meeting.

During Wednesday's Committee meeting, NCLM Director of Government Affairs Erin Wynia again expressed concerns with the removal of local governments' authority to require off-street parking, preventing public safety reviews that ensure emergency vehicle access to residents. He also noted the problems that arise between neighbors over parking and the need for additional resources required to enforce on-street parking permitting or ticketing.

Senate Moves Ahead on Land Use Items

Legislation of Interest

[SB 1047 Regulatory Reform Act of 2026](#)

Who Votes Next: Senate

The [Senate Regulatory Reform Committee](#) moved ahead on [numerous land use items](#) this week that would impact local development rules and approvals. The committee voted Tuesday to advance that chamber's [omnibus regulatory reform proposal](#), previewed in last week's Bulletin. NCLM staff held discussions with bill sponsor Sen. Steve Jarvis this week and appreciate his openness to city officials' feedback and proposals for change.

[SB 1047 Regulatory Reform Act of 2026](#) includes the following provisions applicable to cities and towns. NCLM Legislative & Regulatory Counsel Patrick Buffkin summarized cities' concerns about these provisions in testimony offered during the Tuesday committee hearing.

Permit choice modifications

Section 13 expands the types of land development decisions subject to the permit choice law, including legislative zoning decisions.

Shot clocks

Section 14 puts in place significant and complicated shot clocks under which local governments must make land use decisions, including zoning decisions. Failure to adhere to the timeframes would result in applications being deemed approved.

No minimum lot sizes

Section 16 disallows the use of minimum lot sizes as a means of expressing density allowances for residential zones.

Publication of fee schedules

Section 17 imposes new requirements for local governments to publish their development fee schedules and requires an annual report of those schedules to the Local Government Commission. It also limits fees that can be charged to those included in a binding fee statement. Finally, it gives applicants the right to file a civil lawsuit if a local government does not follow these publication requirements.

Senate Considers Bill Impacting Public Camping for Unhoused People

Legislation of Interest

[HB 437 Drug-Free Zones/Unauthorized Public Camping](#)

Who Votes Next: Senate

The Senate moved quickly this week to advance [HB 437 Drug-Free Zones/Unauthorized Public Camping](#), a bill that would prohibit local governments from allowing people to regularly sleep or camp on public land in their jurisdictions and allow the designation of a specific public place for camping, if certain detailed requirements are followed. The bill was approved by the [Senate Judiciary Committee](#) and the [Senate Health Care Committee](#) on Wednesday and Thursday, respectively.

One concerning provision in the bill allows any resident of the jurisdiction, any business owner, or the Attorney General who alleges that the local government is not complying with the new law to file suit, subject to minimal procedural requirements. NCLM Government Affairs staff is working to limit the liability exposure presented in the bill.

This legislation is related to a federal government effort to address homelessness, and bill sponsors told the Senate committees that it would facilitate access to millions in federal grants. The detailed requirements of the designated space for public camping drew opposition from multiple Senators, including the requirements on the local governments to ensure safety and sanitation, offer mental health and substance abuse services, and prohibit illegal drug use and alcohol consumption within the camping space. While their objections varied, the issues raised were the likelihood that these requirements could be met and the more fundamental objection that communities would be better served by putting resources into housing the people who are camping in public.

The bill is expected to be considered by the full Senate next week.

Property Tax Revaluation Moratorium Heads to Governor, But May Not Be Final Word

Legislation of Interest

[SB 889 Property Tax Reappraisal Moratorium](#)

Who Votes Next: Presented to Governor (6/10)

[SB 474 Adjust Counties/Reappraisal Moratorium](#)

Who Votes Next: Senate

House members gave final approval to a moratorium impacting property tax revaluations for multiple counties this week, but that may not be the last word on the topic. [SB 889 Property Tax Reappraisal Moratorium](#) was introduced earlier this year by Senate President Pro Tem Phil Berger as his chamber's answer to the legislature's ongoing discussion on property taxes. As previously discussed, SB 889 imposes a moratorium on the implementation of county property tax reappraisals scheduled to occur in 2026 in the following counties: Anson, Bladen, Buncombe, Davidson, Guilford, Harnett, Onslow, Pender, and Scotland. For these counties, rates established during the current revaluation processes will be paused and revert to those valuations in 2027.

The bill received strong bipartisan votes in both the Senate and House, sending it to Governor Josh Stein for his consideration on June 10. The Governor will have ten days to review the bill and take one of three options: sign the bill, veto the bill, or allow the bill to become law without his

signature. Given the supermajorities reached in both chambers, the ability to sustain a veto by the Governor is extremely unlikely.

At the same time, additional consideration has been given to [SB 474 Adjust Counties/Reappraisal Moratorium](#), a bill originally filed by Senators Berger, Moffitt, and Jarvis and passed by the Senate in 2025 as the DAVE Act. As originally filed, the bill would granted a variety of powers to State Auditor Dave Boliek. This content was passed in another bill during the long session, leaving the bill available for the House to insert other language. This week, the [House Rules Committee](#) introduced a new version of SB 474, substituting the original language with language modifying SB 889. This "trigger bill" would only take effect if SB 889 becomes law, but if it does, it would restrict the application of the legislation.

SB 474 would require that the moratorium only apply to counties that do not have populations less than 12,000; are within 3 years of their sales assessment ratio changing, and have a population under 150,000; have levied a property tax rate over 95 cents per \$100 in the prior four years; or are in counties impacted by Hurricane Helene. This would impact the list of counties impacted by the moratorium, though the final determinations haven't been made. SB 474 was heard on the House floor on Wednesday but did not receive a vote. It is scheduled to return to the calendar on Tuesday.

Municipal Elections Changes Proposed

Legislation of Interest

[HB 1035 Various Local Election Changes III](#)

Who Votes Next: Senate

[HB 1038 At-Large Elections/Jacksonville City Council](#)

Who Votes Next: Senate

[SB 876 Various Local Provisions X](#)

Who Votes Next: House

Legislators considered significant changes to local government elections during committee meetings this week.

The House included elections law changes in its tenth "Various Local Provisions" bill, [SB 876 Various Local Provisions X](#). Sections 3 and 4 of the bill would shift the elections in the City of Albemarle to partisan elections and the elections in all 11 municipalities in Moore County to even-year partisan elections. Both of these changes would take effect in 2028. SB 876 was approved by the [House Election Law Committee](#) on Tuesday and is expected to be heard on the House floor next week.

A wide-ranging local elections omnibus bill would align municipal elections in several municipalities with even-numbered year elections, while also making a series of charter revisions, term extensions, and election administration changes affecting local governments across the state was approved by the [Senate Elections Committee](#) on Wednesday. [HB 1035 Various Local Election Changes III](#) shifts elections from odd-numbered years to even-numbered years for the following municipalities: Town of Pink Hill, Town of Bolivia, Town of Belville, City of New Bern, Town of Snow Hill, Town of Brookford, and municipalities within Catawba County. It also extends or establishes four-year terms for elected officials in the following municipalities: Town of Bolivia (Mayor and aldermen), Town of Belville (Mayor), Town of Everetts (Mayor and commissioners), and the Town of Columbus (Mayor). Finally, the City of New Bern and the Town of Rural Hall would undergo election administration and vacancy reforms.

[HB 1038 At-Large Elections/Jacksonville City Council](#), a bill that would change how Jacksonville City Council members are elected, is moving through the House after receiving approval from the [House Election Law Committee](#) this week. The bill would shift from the current ward-based system, requiring all six council members to be elected by voters at-large rather than following the current form of having four members elected from specific wards. Concerns have been raised that eliminating ward seats could reduce neighborhood-specific representation and make it harder for certain areas of the city to have a direct voice on the council. If approved, the new system would take effect with the council seated after the 2027 municipal election.

Bill Roundup

Legislation of Interest

[SB 992 Truth in Taxation](#)

Who Votes Next: Senate

[HB 376 Water/Wastewater Affordability & Capacity Act](#)

Who Votes Next: Senate

[SB 1074 Eden/Mills River/Guilford Art 46 Local Act](#)

Who Votes Next: House

[HB 1103 Allow Implementation of Chatham Co. UDO](#)

Who Votes Next: House

[SB 587 Wake Surfing Safety](#)

Who Votes Next: Senate

[HB 1094 Ferry Div. Audit/DOT Omnibus](#)

Who Votes Next: Senate

[SB 695 Incent Development Finance District Funding](#)

Who Votes Next: Senate

[HB 481 Pay Exceptions/Special Separation Allowance](#)

Who Votes Next: Senate

Legislators took up the following additional topics of interest to cities and towns this week.

Property owner property tax notifications

Senators noticed a hearing for this upcoming Tuesday on [SB 992 Truth in Taxation](#), a bill that would require extensive public notification requirements if a local jurisdiction proposed a property tax rate that exceeded the revenue-neutral rate, following a property revaluation. The notification requirements would include noticing details of the proposed property tax rate to every property owner via first-class mail, in addition to more traditional public notice channels such as local newspapers. The [Senate Finance Committee](#) is slated to vote on the measure Tuesday.

Outside water rate increases

Senators also sought to enhance other public notification requirements this week, this time, when a governing board proposed raising outside water/sewer rates more than 25 percent of the rates charged to customers inside the governing body's jurisdiction. [HB 376 Water/Wastewater Affordability & Capacity Act](#) would require a public hearing on the proposed outside rates under these circumstances (Sec. 3-4). The bill also contained a new framework that public water systems would follow if they sold the system to a private provider (Sec. 1-2). The [Senate Agriculture, Energy, and Environment Committee](#) voted Tuesday to advance the measure.

Downzoning

The fallout from [the 2024 "downzoning" law](#) that severely curtailed local governments' ability to rezone property continued with actions on several bills this week. First, the Senate unanimously approved [a local bill](#) that would remove an exemption from the law previously granted to the town of Mills River, which had been poised to adopt a new zoning code just after the 2024 bill became law. Next, the House unanimously passed a measure that gutted League-negotiated and supported language in [SB 587](#) that would have restored local zoning authority while protecting private property rights. Now, the bill concerns wakeboarding safety. Finally, the House noticed plans to consider [HB 1103 Allow Implementation of Chatham Co. UDO](#) this upcoming Tuesday. That bill would permit the revised Chatham County zoning code to be implemented despite the 2024 downzoning law.

E-bikes

The [Senate Transportation Committee](#) discussed an omnibus transportation bill Wednesday that included permissions to allow local regulation of e-bikes. Sec. 19 of the [new proposed language](#) for HB 1094 Ferry Div. Audit/DOT Omnibus defines “electric-assisted bicycles” and allows cities to regulate them on multiuse paths and sidewalks. The committee has not scheduled a vote on this bill as of this publication.

Development district incentives

The House modified and overwhelmingly approved a League-supported incentive tool for large-scale developments Wednesday. The incentives for developers include property tax breaks and access to capital facilitated by a partner local government. [SB 695 Incent Development Finance District Funding](#) now returns to the Senate for their concurrence on House changes to the bill.

Special separation allowance

The [Senate Pensions & Retirement & Aging Committee](#) advanced a House proposal Wednesday that would allow retired law enforcement officers to reenter the public workforce without losing the remainder of their special separation allowance retirement benefit. Actuaries predicted no significant effects on local or state employers with [HB 481 Pay Exceptions/Special Separation Allowance](#).

Legislative Policy Committee

Submit Interest Forms by June 30

NC League of Municipalities President Jody McLeod seeks to appoint interested city officials as new members of the [NCLM Legislative Policy Committee](#), and you may [sign up](#) now.

The [Legislative Policy Committee](#) is an internal group of city officials that forms policy positions on key issues for North Carolina cities. Committee members also serve as advocates on municipal legislation and are an integral part of the League. If you are interested in serving on this committee, please complete the linked form **no later than June 30th**.

Please direct questions to Government Affairs Project Coordinator [Sophia Trentacosta](#).

INTEREST FORM



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