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Legislative Pace Picks Up Before Holiday

The pace of legislation picked up considerably this week ahead of the Memorial Day holiday and a 10-day break for lawmakers. The week had all the hallmarks of the N.C. General Assembly at its busiest—numerous committee meetings, floor votes, omnibus legislation like the regulatory reform package detailed below, and bills with “strip and replace” language like the data center bill described below.

The legislative calendar peaked on Wednesday, with votes in both chambers on multiple constitutional amendments for the fall ballot, including the property-tax amendment discussed below.

Legislators will return to Raleigh and resume regular business the week of June 1. No votes or committee meetings are expected to take place before then.

Lawmakers Vote to Place Property Tax Amendment on November Ballot

N.C. legislators voted Wednesday to place on the fall ballot a constitutional amendment that would limit local property tax levies. As a proposed constitutional amendment, the bill does not go to Gov. Stein for his signature, so the language in [HB 1089 Const. Amend. Property Tax Levy Limit](#) will appear on voters’ ballots in November, over the objections of local officials from across the state.

The votes in both chambers were nearly party-line. In the House, two members who switched their party affiliation this session from Democrat to Unaffiliated joined all Republicans in voting in favor of the amendment,

which passed that chamber 73-46. One House Democrat was absent from the vote. In the Senate, Democratic Sen. Dan Blue joined Republicans in approving the amendment by a 31-15 margin; three Senate Democrats were absent during the vote. Read details of the debate in "[Ex-Democrats hand North Carolina GOP key votes](#)" (Axios).

If approved by voters, the amendment directs the N.C. General Assembly to enact legislation that would limit the amount by which property tax levies may increase. The details of that legislation will dictate the exact ways property tax levies would be limited. Conversations to shape that legislation could begin even before the November vote, so please continue to educate your local legislator about your city's property tax collections and what the proceeds are spent on.

Share with them the general points in [this one-pager](#) and the public safety points in [this one-pager](#), along with specific data from your city or town about which services your town's property tax revenues pay for.

Separately, the House voted unanimously this week on another [bill](#) that would close an existing affordable housing property tax loophole. Local governments in Wake County lost millions in property tax revenues due to this loophole, which did not result in the creation of additional affordable housing. The bill now awaits consideration by the Senate.

Senators Take First Step in Passing Preemption of Parking Minimums

The [Senate State & Local Government Committee](#) met this week and voted to advance [HB 369 Parking Lot Reform/Stormwater Control](#), a bill that includes stormwater provisions cities and towns support, but also preempts local government requirements for minimum off-street parking.

Municipalities are expressing concerns about the preemption language, given the importance of planning reviews in ensuring adequate access for emergency vehicles. At the committee meeting this week, revisions to the stormwater provisions were approved, and the statewide repeal of parking minimums remains unchanged.

This bill will have a significant impact on communities across the state. Please contact your state senators and provide them with information about how preemption will affect your municipality's ability to address parking in your community. Ask them to continue working with the League and its members to improve or remove the parking minimum preemption provision from HB 369.

The bill now goes to the [Senate Committee on Agriculture, Energy, and the Environment](#).

House Considers Regulatory Reforms

A [House committee](#) met late on Wednesday and approved a wholesale revision to [SB 445](#), now renamed the [Regulatory Reform Act of 2026](#). The bill includes numerous provisions that impact local governments. Of particular interest and concern to cities are the following sections.

- [Section 10](#): Enlarging the site-specific vesting period from 2 to at least 5 years or up to 8 years at the city's option. Repeals G.S. 160D-108.1(f)(2), which currently allows for application of an overlay or other development regulations that do not impact the allowed use or intensity of the use.
- [Section 13](#): Requiring local government zoning regulations to allow residential dwelling units in all areas zoned for non-agricultural commercial, business, or industrial use, and to allow for at least 60 feet of building height. (G.S. 160D-703).
- [Section 14](#): Requiring local government zoning regulations to allow the development of at least one accessory dwelling unit (ADU) in areas zoned for residential use that allow for single-family homes by creating a new section, G.S. 160D-917.
- [Section 20](#): At NCLM's request, the bill allows local governments to use third-party contractors to conduct the criminal background checks required by a law adopted last year. This requirement for a fingerprint and SBI background check applies to all local government employees who work with children in any capacity. This update was needed following legislation passed in 2025.

Sections 10, 13, and 14 will significantly impact many cities and towns across the state. To inform the League's legislative advocacy, please email [Sophia Trentacosta](#) information about how these sections would impact your municipality.

While this legislation was approved by the [House Regulatory Reform Committee](#), it is expected to receive further public consideration before going to the full House for approval and then returning to the Senate.

Data Center Proposal Contains Local Government Requirements

N.C. House members debuted [a comprehensive data center and energy bill](#) Wednesday that contained requirements local governments would follow when evaluating data center proposals. Using the “strip and replace” technique now common during the legislative Short Session, the [House Energy and Public Utilities Committee](#) deleted the previous bill language that had passed the Senate and inserted this new proposal, renaming the bill to [SB 730 Ratepayer Protection Act](#).

The bill would require local governments to consider any data center applicant’s assessment of its water needs, along with its anticipated impacts on air quality, thermal plumes, agricultural resources, parks, registered historic sites, and forestland on the data center site or immediately contiguous land. Under SB 730, the local government would use this information to assess consistency between the data center proposal and the jurisdiction’s own comprehensive plan, as well as compliance with noise, zoning, and other ordinances. The bill would specifically preserve existing local zoning authority, which still remains limited by [the downzoning law](#) enacted in 2024.

Over its twelve pages, SB 730 also placed other limits on data centers, such as a ban on evaporative or open-loop cooling systems. Under the proposal, local governments would be prohibited from providing economic development incentives for the siting of a data center in their jurisdiction. One other notable prohibition prevents condemnors, which can include both public entities and private entities such as electric utilities, from exercising eminent domain for the purpose of siting a data center.

Read more about the bill and the committee debate this week in [“NC bill proposes data center regulations, would keep local governments from offering incentives”](#) (WUNC).

The bill, which contains other energy policy provisions, must receive further votes in the House and Senate. Senate President Pro Tem Phil Berger [expressed support](#) last week for repealing tax exemptions for data centers, a topic not addressed in this bill. Berger’s support for repealing the tax exemptions echoed [that of Gov. Josh Stein](#), who made a similar proposal last month.

FEMA Final Report to Shift Disaster Policy

On May 7, 2026, the President’s Council to Assess the Federal Emergency Management Agency convened its final meeting in Washington, D.C., to deliver a set of recommendations intended to redefine the federal government’s role in disaster management.

Here are the [informational slides](#) from the council's meeting and the [final report](#).

Members of the public may continue to [submit comments](#) through June 8. More information from the National League of Cities about the effect of the recommendation on municipalities can be seen [here](#).



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