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Bill Impacting Local Government Public Camping Enforcement Poised for Senate Vote

Legislation of Interest

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

Who Votes Next: Senate

[HB 781 Unauthorized Public Camping & Sleeping](#)

Who Votes Next: Senate

A bill [championed by a national conservative think tank](#) impacting how local governments address public camping is poised for a Senate vote next week. [HB 437 Drug-Free Zones/Unauthorized Public Camping](#) is a two-part bill that combines the original [HB 437 Establish Drug-Free Homeless Service Zones](#) and [HB 781 Unauthorized Public Camping & Sleeping](#), both of which were passed by the House in 2025.

Last week, the [Senate Judiciary Committee](#) introduced and approved the new combined bill, which the [Senate Health Care Committee](#) later approved. The bill remains pending before the [Senate Rules Committee](#), but legislators have said they plan to have HB 437 on the Senate floor as early as next Tuesday.

As discussed in last week's Bulletin, HB 437 would prohibit local governments from allowing people to sleep or camp on public land within their jurisdictions regularly and would allow the designation of a specific public place for camping, provided certain detailed requirements are met.

Over the past week, NCLM Government Affairs staff have engaged with bill sponsors to address a concerning provision in the bill that 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.

This legislation follows models introduced in other states, as well as a 2025 [Executive Order](#) issued by President Donald Trump, all of which ostensibly seek to address homelessness in communities. The bill is not without opposition, and an [article](#) published by Wilmington NPR affiliate WHQR details the positions of homeless advocates and local government officials, including Wilmington Mayor Bill Saffo.

Senate to Vote on Parking Preemption Next Week

Legislation of Interest

[HB 162 Parking Lot Reform/Stormwater Control](#)

Who Votes Next: Senate

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

Who Votes Next: Senate

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

Who Votes Next: House

A measure to preempt minimum off-street parking requirements appears headed for nearly unanimous approval in the NC Senate. After two Senate committee meetings this week, [HB 162 Parking Lot Reform/Stormwater Control](#) now includes provisions previously advanced in other legislation over NCLM's objection. Those measures, [HB 369 Parking Lot Reform/Stormwater Control](#) and [HB 376 Water/Wastewater Affordability & Capacity Act](#), stalled due to procedural hurdles and the upcoming end of the short session.

Despite objections to the removal of city authority to ensure adequate public safety and service-vehicle access, legislators pressed ahead with support from more than 30 interest groups spanning the political spectrum. Through committee amendments, legislators exempted 20 coastal counties – meaning cities retain authority to enforce parking minimums in those counties. NCLM continues to press lawmakers to reconsider and to delay the effective date to allow time to comply.

If your city is in one of the 80 impacted counties and you have concerns about the removal of parking minimums, you should contact [Senate members](#) before the expected vote next week. If the bill passes the Senate,

it will likely return to the House next week for a vote on the Senate changes.

Senate Modifies Land Use Provisions

Legislation of Interest

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

Who Votes Next: Senate

Senators modified several land use provisions in [SB 1047 Regulatory Reform Act of 2026](#) on Wednesday, including removing language in a prior version that banned minimum lot size regulations. This provision had given local officials many concerns due to the disruption it would pose for neighborhood design, and city officials thank primary bill sponsor [Sen. Steve Jarvis](#) for hearing their concerns.

At the same time, city officials seek changes to the following land use provisions that remain in the bill. We appreciate legislators' openness to continuing discussions on these sections as the bill continues its progress through the Senate, whose [Rules Committee](#) will consider the bill next.

Permit choice modifications

Section 13 expands the types of land development decisions subject to the permit choice law, including legislative zoning decisions. The permit choice concept is long-standing and allows a development applicant to choose an older set of development rules, if they change before development begins. Adding conditional zoning and rezoning decisions to this statute defeats the purpose of those decisions, which are made at the request of an applicant who presumably desires the new set of rules over the older ones.

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. The [Senate Judiciary Committee](#) amended this section on Wednesday so that it applied only to local governments with populations of more than 20,000.

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.

Municipal Elections Bill Moves to Conference Committee

Legislation of Interest

[SB 876 Various Local Provisions X](#)

Who Votes Next: Senate

Senators disagreed with the changes made to [SB 876 Various Local Provisions X](#), setting up a debate between the chambers on a bill that includes significant modifications to elections in multiple local governments this week.

Over the past two weeks, House members have made significant changes to SB 876 compared with the version the Senate presented to them in late May. These changes included changing the elections in the City of Albemarle to partisan elections and moving elections in all 11 municipalities in Moore County to even-year partisan elections. Both of these changes would take effect in 2028.

Additionally, House members included a variety of unrelated local provisions, including language creating a downzoning exemption for the Harnett Regional Jetport. The House version of SB 876 passed the House on Tuesday along a near party-line vote, with only Democrat Representative Shelly Willingham joining Republicans in voting for the bill.

Following the House's passage, the bill returned to the Senate, but Senators chose not to agree with the changes made to the bill, sending it to a conference committee to negotiate the differences between the House and Senate versions.

Governor, Senate Decisions Pending on Property Tax Revaluation Moratorium

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

Both Governor Josh Stein and the NC Senate face imminent decisions on the proposed moratorium on property tax revaluations. Most immediately, Gov. Stein must decide by tomorrow (June 20) whether to sign, veto, or allow [SB 889 Property Tax Reappraisal Moratorium](#) to become law. The bill would disallow the following counties (and cities within them) from using their updated property tax reappraisals, which were set to be used for the first time in this year's budget cycle: Anson, Bladen, Buncombe, Davidson, Guilford, Harnett, Onslow, Pender, and Scotland. If this bill becomes law, the affected local governments would need to redo their FY26-27 budgets using the prior property valuations, a significant disruption to local services and communities. The bill received strong bipartisan votes in both the Senate and House.

The Senate also must decide what action to take on a related bill passed by the House this week, [SB 474 Adjust Counties/Reappraisal Moratorium](#). The House gave the bill its approval in a 111-1 vote this week, sending it to the Senate for a yes-or-no vote. With the bill, the House sought to minimize the impact of SB 889 by narrowing the list of counties affected. The new criteria for counties to which the moratorium would apply are listed in Section 1.(e) of the bill. The Senate could take its next vote on any day it meets.

Senate Considers Truth in Taxation Bill

Legislation of Interest

[SB 992 Truth in Taxation](#)

Who Votes Next: Senate

A significant proposal to require additional notice and hearing requirements when a city or county intends to adopt a tax rate higher than the revenue-neutral rate after a reappraisal year was heard in Senate committees this week.

In that scenario, [SB 992 Truth in Taxation](#) would impose publication, website posting, and mailing of notices, as well as public hearings, all of which exceed existing publication and public hearing requirements. Legislators seem motivated by the idea that cities and counties are hiding tax increases by adopting a rate higher than the revenue-neutral rate. However, costs of administering these requirements would be onerous on local governments.

An amendment in the [Senate Finance Committee](#) compounded these concerns by requiring mailings and publications from both the city and the county, rather than a single consolidated notice to be published and mailed by the county clerk.

As the legislation is expected to advance to the Senate floor, NCLM will be working to highlight the excessive costs to cities and towns, and the duplication and wasted efforts that will result in city residents receiving multiple notices. In addition to cities and counties, other taxing authorities, such as fire districts and municipal service districts, would also be required to follow these requirements.

Legislators Consider Occupancy Tax Bills in Response to Court Decision

Legislation of Interest

[HB 240 Currituck/NH Beach Towns/J'ville OT](#)

Who Votes Next: Became law on June 18

[SB 484 Clarify Tourism-Related Expenditures](#)

Who Votes Next: Presented to Governor (6/19)

Following an NC Supreme Court decision, lawmakers have quickly pursued bills addressing local governments' use of occupancy tax revenues and tourism-related expenditures.

In early June, the NC Supreme Court issued an [opinion](#) in a case involving Currituck County's use of occupancy taxes to fund public safety services. The Court agreed with the County, over the objections of tourism industry groups who have long championed the current occupancy tax structure, which allocates the majority of the revenue to tourism programs.

Legislators worked to respond to the Court's ruling, introducing two distinct bills related to occupancy tax, one in the House and one in the Senate. [HB 240 Currituck/NH Beach Towns/J'ville OT](#) is a local bill that provides targeted occupancy tax authority and revenue distribution for Currituck County, the City of Jacksonville, and beach towns in New Hanover County (Wrightsville Beach, Carolina Beach, and Kure Beach). This bill passed almost unanimously in both chambers, and because it is a local bill (affecting 15 or fewer counties), it doesn't require the Governor's signature and became law when it was approved by legislators.

[SB 484 Clarify Tourism-Related Expenditures](#), takes a broader, statewide approach to clarifying the existing occupancy tax law. The bill outlines

specific expenditures that would not be allowed using occupancy tax revenues unless otherwise authorized by a local act, such as HB 240, described above. Those expenditures are solid waste collection or disposal; water supply, distribution, or treatment; fire protection; law enforcement, public safety services, or emergency services; affordable housing; and education. This bill received bipartisan support in both chambers, passing by veto-proof margins, and was presented to Governor Stein on June 19.

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

NC BEMO Gathers with Legislative Black Caucus

On Wednesday evening, [North Carolina Black Elected Municipal Officials \(BEMO\)](#) members gathered with members of the [North Carolina Legislative Black Caucus](#) for a reception in downtown Raleigh. Local elected officials from across the state joined with House and Senate members at this third annual gathering of the groups for a time of fellowship and conversation about important issues facing our state and their communities.



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