

§ 160A-209. Property taxes.

(a) Pursuant to Article V, Sec. 2(5) of the Constitution of North Carolina, the General Assembly confers upon each city in this State the power to levy, within the limitations set out in this section, taxes on property having a situs within the city under the rules and according to the procedures prescribed in the Machinery Act (Chapter 105, Subchapter II).

(b) Each city may levy property taxes without restriction as to rate or amount for the following purposes:

- (1) Debt Service. – To pay the principal of and interest on all general obligation bonds and notes of the city.
- (2) Deficits. – To supply an unforeseen deficiency in the revenue (other than revenues of any of the enterprises listed in G.S. 160A-311), when revenues actually collected or received fall below revenue estimates made in good faith in accordance with the Local Government Budget and Fiscal Control Act.
- (3) Civil Disorders. – To meet the cost of additional law-enforcement personnel and equipment that may be required to suppress riots or other civil disorders involving an extraordinary breach of law and order within the jurisdiction of the city.

(c) Each city may levy property taxes for one or more of the following purposes subject to the rate limitation set out in subsection (d):

- (1) Administration. – To provide for the general administration of the city through the city council, the office of the city manager, the office of the city budget officer, the office of the city finance officer, the office of the city tax collector, the city purchasing agent, the city attorney, and for all other general administrative costs not allocated to a particular board, commission, office, agency, or activity.
- (2) Air Pollution. – To maintain and administer air pollution control programs.
- (3) Airports. – To establish and maintain airports and related aeronautical facilities.
- (4) Ambulance Service. – To provide ambulance services, rescue squads, and other emergency medical services.
- (5) Animal Protection and Control. – To provide animal protection and control programs.
- (5a) Arts Programs and Museums. – To provide for arts programs and museums as authorized in G.S. 160A-488.
- (6) Auditoriums, Coliseums, and Convention Centers. – To provide public auditoriums, coliseums, and convention centers.
- (7) Beach Erosion and Natural Disasters. – To provide for shoreline protection, beach erosion control and flood and hurricane protection.
- (8) Cemeteries. – To provide for cemeteries.
- (9) Civil Defense. – To provide for civil defense programs.
- (9a) Community Development. – To provide for community development as authorized by G.S. 160D-1311 and G.S. 160D-1312.
- (10) Debts and Judgments. – To pay and discharge any valid debt of the city or any judgment lodged against it, other than debts or judgments evidenced by or based on bonds or notes.
- (10a) Defense of Employees and Officers. – To provide for the defense of, and payment of civil judgments against, employees and officers or former employees and officers, as authorized by this Chapter.
- (10b) Economic Development. – To provide for economic development as authorized by G.S. 158-7.1.

- (10c) Drainage. – To provide for drainage projects or programs in accordance with Chapter 156 of the General Statutes or in accordance with this Chapter.
- (11) Elections. – To provide for all city elections and referendums.
- (12) Electric Power. – To provide electric power generation, transmission, and distribution services.
- (12a) Energy Financing. – To provide financing for renewable energy and energy efficiency in accordance with a program established under G.S. 160D-1320.
- (13) Fire Protection. – To provide fire protection services and fire prevention programs.
- (14) Gas. – To provide natural gas transmission and distribution services.
- (15) Historic Preservation. – To undertake historic preservation programs and projects.
- (15a) Housing. – To undertake housing projects as defined in G.S. 157-3, and urban homesteading programs under G.S. 160D-1314.
- (16) Human Relations. – To undertake human relations programs.
- (17) Hospitals. – To establish, support and maintain public hospitals and clinics, and other related health programs and facilities, and to aid any private, nonprofit hospital, clinic, related facility, or other health program or facility.
- (17a) Industrial Development. – To provide for industrial development as authorized by G.S. 158-7.1.
- (18) Jails. – To provide for the operation of a jail and other local confinement facilities.
- (19) Joint Undertakings. – To cooperate with any other county, city, or political subdivision of the State in providing any of the functions, services, or activities listed in this subsection.
- (20) Libraries. – To establish and maintain public libraries.
- (22) Off-Street Parking. – To provide off-street lots and garages for the parking and storage of motor vehicles.
- (23) Open Space. – To acquire open space land and easements in accordance with Part 1 of Article 13 of Chapter 160D of the General Statutes.
- (24) Parks and Recreation. – To establish, support and maintain public parks and programs of supervised recreation.
- (25) Planning. – To provide for a program of planning and regulation of development in accordance with Chapter 160D of the General Statutes.
- (26) Police. – To provide for law enforcement.
- (26a) Ports and Harbors. – To participate in programs with the North Carolina Ports Authority and to provide for harbor masters.
- (26b) Public Education. – To supplement funding for elementary and secondary public education.
- (27) Public Transportation. – To provide public transportation by rail, motor vehicle, or another means of conveyance other than a ferry, including any facility or equipment needed to provide the public transportation.
- (27a) Railroad Corridor Preservation. – To acquire property for railroad corridor preservation.
- (27b) Senior Citizens Programs. – To undertake programs for the assistance and care of its senior citizens.
- (28) Sewage. – To provide sewage collection and treatment services as defined in G.S. 160A-311(3).
- (29) Solid Waste. – To provide solid waste collection and disposal services, and to acquire and operate landfills.

- (30) Streets. – To provide for the public streets, sidewalks, and bridges of the city.
- (31) Traffic Control and On-Street Parking. – To provide for the regulation of vehicular and pedestrian traffic within the city, and for the parking of motor vehicles on the public streets.
- (31a) Urban Redevelopment. – To provide for urban redevelopment.
- (32) Water. – To provide water supply and distribution services.
- (33) Water Resources. – To participate in federal water resources development projects.
- (34) Watershed Improvement. – To undertake watershed improvement projects.

(d) Property taxes may be levied for one or more of the purposes listed in subsection (c) up to a combined rate of one dollar and fifty cents (\$1.50) on the one hundred dollars' (\$100.00) appraised value of property subject to taxation.

(e) With an approving vote of the people, any city may levy property taxes for any purpose for which the city is authorized by its charter or general law to appropriate money. Any property tax levy approved by a vote of the people shall not be counted for purposes of the rate limitation imposed in subsection (d).

The city council may call a referendum on approval of a property tax levy. The referendum may be held at the same time as any other city referendum or city election, but may not be otherwise held (i) on the day of any federal, State, district, or county election already validly called or scheduled by law at the time the tax referendum is called, or (ii) within the period of time beginning 30 days before and ending 10 days after the day of any other city referendum or city election already validly called or scheduled by law at the time the tax referendum is called. The referendum shall be conducted by the same board of elections that conducts regular city elections. A notice of referendum shall be published in accordance with G.S. 163-297. The notice shall state the date of the referendum, the purpose for which it is being held, and a statement as to the last day for registration for the referendum under the election laws then in effect.

The proposition submitted to the voters shall be substantially in one of the following forms:

- (1) Shall the City/Town of _____ be authorized to levy annually a property tax at a rate not in excess of ___ cents on the one hundred dollars (\$100.00) value of property subject to taxation for the purpose of _____?
- (2) Shall the City/Town of _____ be authorized to levy annually a property tax at a rate not in excess of that which will produce \$_____ for the purpose of _____?
- (3) Shall the City/Town of _____ be authorized to levy annually a property tax without restriction as to rate or amount for the purpose of _____?

If a majority of those participating in the referendum approve the proposition, the city council may proceed to levy annually a property tax within the limitations (if any) described in the proposition.

The board of elections shall canvass the referendum and certify the results to the city council. The council shall then certify and declare the result of the referendum and shall publish a statement of the result once, with the following statement appended: "Any action or proceeding challenging the regularity or validity of this tax referendum must be begun within 30 days after (date of publication)." The statement of results shall be filed in the clerk's office and inserted in the minutes of the council.

Any action or proceeding in any court challenging the regularity or validity of a tax referendum must be begun within 30 days after the publication of the results of the referendum. After the expiration of this period of limitation, no right of action or defense based upon the invalidity of or any irregularity in the referendum shall be asserted, nor shall the validity of the referendum be open to question in any court upon any ground whatever, except in an action or proceeding begun within the period of limitation prescribed herein.

Except for tax referendums on functions not included in subsection (c) of this section, any referendum held before July 1, 1973, on the levy of property taxes is not valid for the purposes of this subsection. Cities in which such referendums have been held may support programs formerly supported by voted property taxes within the general rate limitations set out in subsection (d) at any appropriate level and are not subject to the former voted rate limitation.

(f) With an approving vote of the people, any city may increase the property tax rate limitation imposed in subsection (c) and may call a referendum for that purpose. The referendum may be held at the same time as any other city referendum or election, but may not be otherwise held (i) on the day of any federal, State, district, or county election, or (ii) within the period of time beginning 30 days before and ending 30 days after the day of any other city referendum or city election. The election shall be conducted by the same board of elections that conducts regular city elections.

The proposition submitted to the voters shall be substantially in the following form: "Shall the property tax rate limitation applicable to the City/Town of _____ be increased from _____ on the one hundred dollars (\$100.00) value of property subject to taxation to ___ on the one hundred dollars (\$100.00) value of property subject to taxation?"

If a majority of those participating in the referendum approve the proposition, the rate limitation imposed in subsection (c) shall be increased for the city.

(g) With respect to any of the categories listed in subsections (b) and (c) of this section, the city may provide the necessary personnel, land, buildings, equipment, supplies, and financial support from property tax revenues for the program, function, or service.

(h) This section does not authorize any city to undertake any program, function, joint undertaking, or service not otherwise authorized by law. It is intended only to authorize the levy of property taxes within the limitations set out herein to finance programs, functions, or services authorized by other portions of the General Statutes or by city charters. (1917, c. 138, s. 37; 1919, c. 178, s. 3(37); C.S., s. 2963; 1921, c. 8, s. 1; Ex. Sess. 1921, c. 106, s. 1; 1947, c. 506; 1959, c. 1250, s. 3; 1971, c. 698, s. 1; 1973, c. 426, s. 31; c. 803, s. 2; 1975, c. 664, s. 7; 1977, c. 187, s. 2; c. 834, s. 2; 1979, c. 619, s. 5; 1979, 2nd Sess., c. 1247, s. 21; 1981, c. 66, s. 1; 1983, c. 511, ss. 3, 4; c. 828; 1985, c. 665, ss. 4, 7; 1987, c. 464, s. 6; 1989, c. 600, s. 8; 1989 (Reg. Sess., 1990), c. 1005, ss. 6, 7; 1991 (Reg. Sess., 1992), c. 896, s. 2; 2002-159, s. 50(b); 2002-172, s. 2.4(b); 2003-416, s. 2; 2010-167, s. 4(d); 2017-6, s. 3; 2018-5, s. 38.8(a); 2018-146, ss. 3.1(a), (b), 6.1; 2022-62, s. 47.)