NCLM
NC LEAGUE OF MUNICIPALITIES

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ADVANCING ALL.

Property Taxes Fund Critical Services

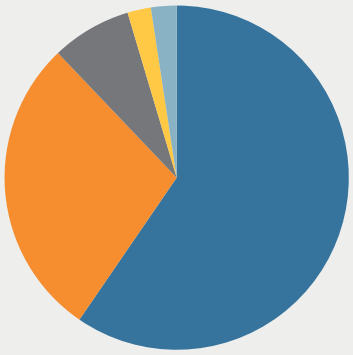
Municipalities provide crucial services to their residents, services that they depend on in their daily lives. Police and fire protection keep communities safe. Maintaining streets and bridges allows commerce to thrive. Parks and special events create an attractive quality of life. Building inspections and land-use planning mean that homes are safe and their values are protected.

State actions restricting local property taxes, taking away the authority of locally elected officials to make those decisions, will inevitably lessen those services.

As such proposals are considered, keep in mind:

- Property taxes are the primary source of revenue over which locally elected officials have control. They don't have the ability to set sales tax rates. And they require flexibility in rate-setting to deal with unforeseen needs.
- Public safety spending among North Carolina cities and towns generally exceeds 40% of their general fund budgets. Any significant cuts to property taxes will compromise local leaders' ability to keep communities safe.
- Since 2020, cities and towns — just like families and private businesses — have faced substantial increases in costs due to rising inflation, and their costs have often outstripped inflation. Among these rising expenses: higher salaries for police officers, firefighters, sanitation workers and building inspectors who are on the ground in communities every day.
- Local taxpayers, with their voting power, can and do remove locally elected officials when they believe local property tax increases are not justified.
- The General Assembly has the ability to consider targeted tax relief through changes to the homeowner circuit breaker and homestead exemption programs, helping retirees now. It doesn't require any new authority to do so.

Municipal General Fund Revenues



Let your legislators know that state restrictions on local property tax levies will damage our communities and our economy.