



A Resolution of the Durham County Board of Commissioners Opposing Modifications to County Property Tax Authority

WHEREAS, county governments are constitutionally and statutorily charged with providing essential public services, including, but not limited to, public safety, emergency response, education, infrastructure, public health, and social services; and

WHEREAS, property taxes constitute a primary, stable, and locally controlled source of revenue necessary to fund these essential county services and to meet both ongoing operational needs and long-term capital obligations; and

WHEREAS, the authority to levy, assess, and adjust property taxes allows county governments to respond responsibly to changing economic conditions, population growth, service demands, emergencies, and state or federal mandates; and

WHEREAS, counties follow transparent procedures prior to any tax changes by presenting annual budgets on a strict schedule, hosting open meetings for citizen input and questions, and submitting public bonds for voter consideration; and

WHEREAS, proposals to modify, limit, cap, freeze, or otherwise restrict county property tax authority — whether through constitutional amendment, statutory change, or administrative action — may reduce local flexibility, undermine fiscal stability, and shift costs to less stable revenue sources; and

WHEREAS, such modifications may result in unintended consequences, including service reductions, delayed infrastructure investment, increased fees, and inequitable impacts on residents; and

WHEREAS, county governments are best positioned to balance fiscal responsibility with service delivery, accountability, and responsiveness to local needs through transparent budgeting and elected representation; and

NOW, THEREFORE, BE IT RESOLVED that the Durham County Board of Commissioners supports the current property tax authority in North Carolina, which enables counties to manage property tax rates within established statutory limits; and

BE IT FURTHER RESOLVED that the Durham County Board of Commissioners formally opposes any constitutional amendment that would restrict, cap, reduce, or otherwise limit county property tax authority.

ADOPTED this the 13 day of April, 2026.

COUNTY PROPERTY TAX 101

What It Is and What It's Used For
Durham County Government



WHAT IS PROPERTY TAX?

Property tax is on land, homes, buildings, vehicles, personal property, and public service property.



**Residential
Homes &
Land**



**Commercial
Buildings**



**Vehicles &
Personal
Property**



**Public
Service
Property**

Property is taxed ad valorem —“according to value.”
The more your property is worth, the more tax you pay.

HOW ARE PROPERTY TAXES CALCULATED?

PROPERTY VALUE



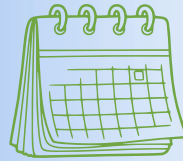
Determined by fair market value at reappraisal

TAX RATE



Set by the Durham County Board of Commissioners

By law, **property must be reappraised at least every 8 years** at its fair market value—the price it would be between a willing buyer and a willing seller. More frequent reappraisals enhance accuracy.



DURHAM COUNTY REAPPRAISAL CYCLE

Durham County conducts reappraisals **every 4 years** — more frequent than the state minimum — ensuring your property value reflects real market conditions. The most recent reappraisal was in 2025.

Tax rates are set by the Board of Commissioners based on budgetary needs. Taxes are due September 1 and become past due on January 6.



After reappraisal, the Board of Commissioners adjusts the tax rate.

COUNTY PROPERTY TAX 101



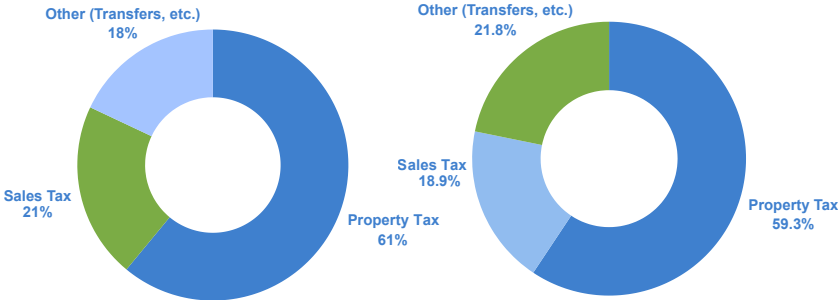
What It Is and What It's Used For Durham County Government

HOW DOES PROPERTY TAX FUND ESSENTIAL SERVICES IN DURHAM COUNTY?

Durham County has three main sources of general fund revenue: NC average and Durham County shown

NC Average

Durham County



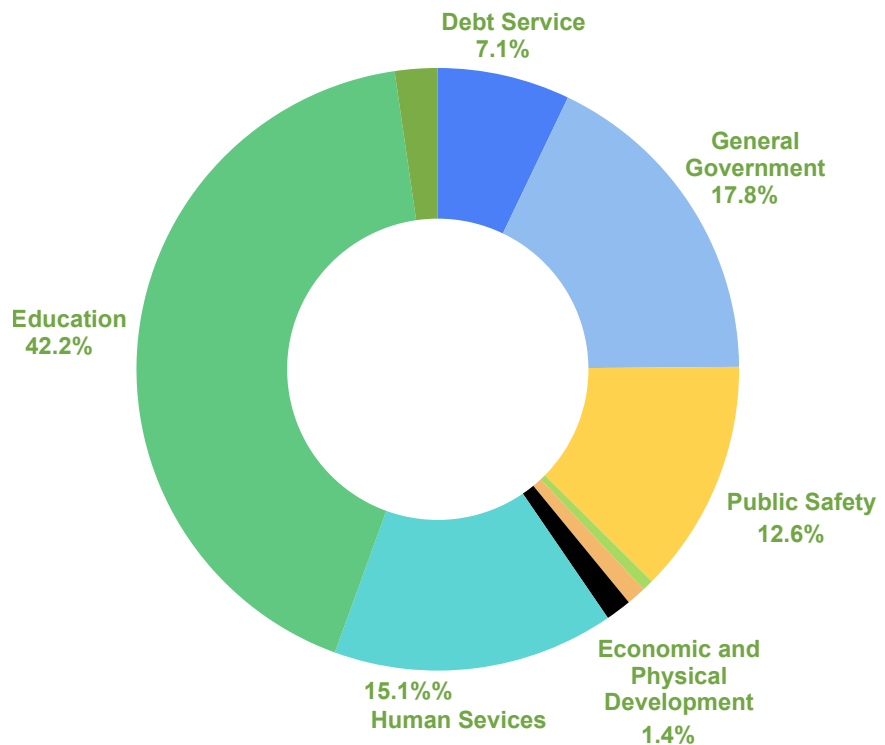
In Durham County, property taxes fund services, including:

- Education**
 Durham Public Schools; Durham Technical Community College; school capital costs
- Public Safety**
 Sheriff's Office; EMS; emergency management; 911 communications
- Health & Human Services**
 Public health; mental health; social services; food & nutrition programs
- Debt Service**
 Bonds; long-term capital borrowing for county facilities and infrastructure
- General Government**
 Clerk of Court; Register of Deeds; Board of Elections; County administration

HOW IS MY DURHAM TAX DOLLAR SPENT?

On average across North Carolina counties, property tax revenue is allocated across these essential services and programs. Approximately 70% goes to education, public safety, and health and human services combined.

Approximately 70% (69.82%) of Durham County property tax revenue on average funds education, public safety, and health and human services combined.



Debt Service	7.11%
General Government	17.76%
Public Safety	12.56%
Transportation	0.60%
Environmental Protection	1.04%
Economic and Physical	1.38%
Human Services	15.10%
Education	42.16%
Cultural and Recreational	2.29%

Funding models vary among North Carolina's 100 counties, but **all counties depend on property tax revenue to provide essential services**. Municipalities and special districts—including the City of Durham—also levy their own taxes.



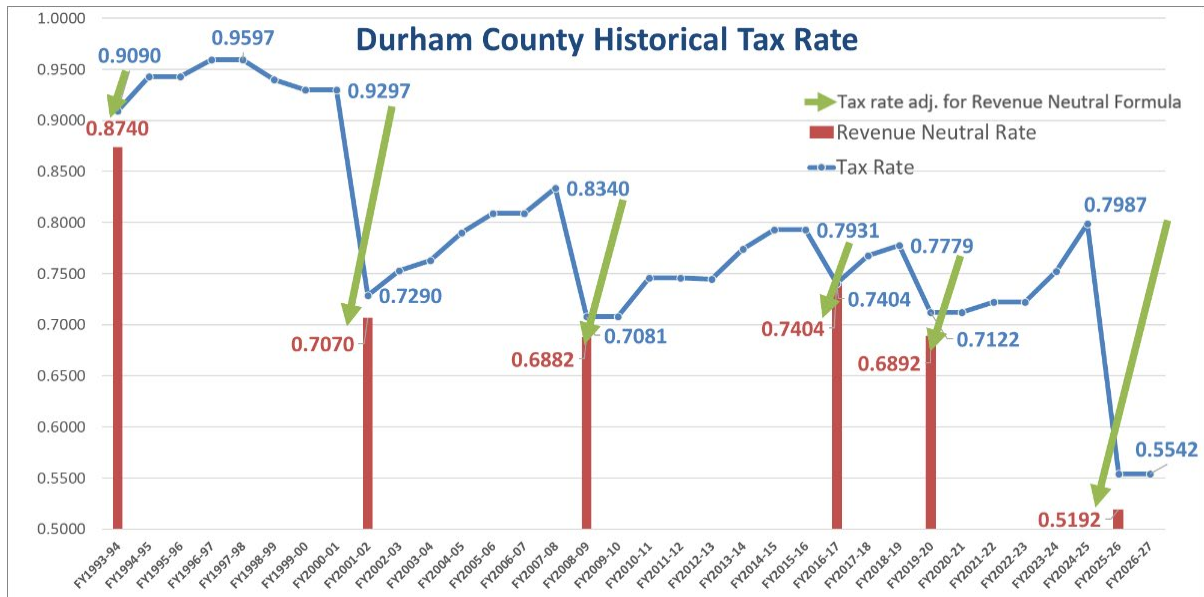
Background/Justification

The Board of County Commissioners is requested to approve a resolution opposing the North Carolina General Assembly's proposed modifications to the County Property Tax Authority. Property taxes are the financial backbone of local government in North Carolina. For Durham County, they fund the services residents rely on every day, such as public safety, emergency response, schools, public health programs, and social services. Unlike other revenue sources that fluctuate with economic conditions, property tax revenue is stable and predictable, enabling the County to plan responsibly, meet its obligations, and make long-term investments in infrastructure.

The attached resolution affirms the need for local governments to retain flexibility to respond to circumstances that cannot always be anticipated, including population growth, state or federal mandates, natural disasters, and public health emergencies, while maintaining the transparent processes through which tax rates are set and budgets are developed to meet both mandated requirements and community priorities. When local revenue is constrained, local governments are forced into difficult choices: cutting services, deferring infrastructure maintenance, raising fees, or relying on less stable funding sources.

Durham County Historical Tax Rate Highlights

The table below reflects 34 years of Durham County Tax rates (blue line) and revaluation revenue-neutral tax rates (red bars). Any change in the blue line is a property tax rate increase or decrease.



- Revenue-neutral tax rates have to be calculated using a specific formula designated by NC state law. Also, those revenue-neutral tax rates have to be made public by state law. The Board of County Commissioners can decide whether to raise or lower the property tax rate after a revenue-neutral tax rate has been established.
- In tracking 55 years of Durham County property tax rates, the current tax rate for FY 2025-26 is the lowest, by far, on record.
 - However, property valuation has increased significantly over that time period.
- Property tax = 59.3% of total General Fund revenue
- Property tax = 51.3% of capital financing revenue
- 13.7% of the total property tax rate (55.42 cents) is dedicated to capital financing and related debt service
 - DPS buildings, DTCC buildings, regional Library system, EMS stations, Main Library renovations, Animal Shelter, Durham County courthouse, NCMLS infrastructure, open space land purchases, affordable housing, County capital infrastructure



- Durham County has had the highest bond rating available as allotted by loan rating agencies for decades. Largely because the County has the ability to raise the property tax rate necessary to ensure long-term debt payoff. A high bond rating generally means lower interest rates on bonds sold by the County, which in turn means savings of millions of dollars over the lifespan of the debt.
- One cent of property tax brings in \$8.5 million in the General Fund
- Sales tax in the General Fund, the County's second biggest revenue source, would have to increase 11% in one year to equal an additional \$8.5 million
- Intergovernmental revenue would have to increase almost 14% in one year to equal an additional \$8.5 million
- County fees would have to increase 26% in one year to equal an additional \$8.5 million

Recommendation

The Board is requested to adopt the resolution and to transmit a copy to General Assembly leadership, including North Carolina Senate President Pro Tempore Phil Berger, North Carolina House Speaker Destin Hall, members of the Durham County Legislative Delegation, and the North Carolina Association of County Commissioners.