



January 2026 | nclm.org



According to League research, in the cities where two-thirds of our state's municipal residents live, property taxes fund half of the general fund services provided to them, like police, fire, and roads.

NC House Property Tax Study Committee Meets

As the New Year begins, and the NC General Assembly convenes briefly next week, a House study committee will hold its second meeting to discuss potential changes to local property taxes. The [House Select Committee on Property Tax Reduction and Reform](#) will meet on [Wednesday, January 14, at 10 a.m.](#) to continue discussions that began just before Christmas. You will be able to listen and watch the January 14 meeting using this [link](#).

At their initial meeting, committee members received presentations from legislative staff regarding the state's property tax system, while also reviewing various property tax relief programs from other states for the elderly, disabled, and veterans. This upcoming meeting is expected to include more educational presentations, including ones from the League, the NC Association of County Commissioners, and the UNC School of Government.

These discussions represent an opportunity to educate legislators about this important topic. In your own conversations with them, please let them know the following.

- Public safety spending among North Carolina cities and towns generally exceeds 40 percent of their general fund budgets. Any significant cuts to

property taxes will damage the ability to keep North Carolina communities and their residents safe.

- That spending level on public safety is even higher among the state's largest nine cities, home to roughly 3 million residents, with an average of 47 percent of general fund expenditures going to police, fire, and other public safety services. In those cities, spending on public safety has risen by an average of more than 6 percent annually since 2022.
- Since 2020, cities and towns – just like families and private businesses – have faced substantial increases in costs due to rising inflation. Those costs include higher salaries for workers like police officers, firefighters, sanitation workers, and building inspectors who are on the ground in communities every day, as well as increased costs for roads and bridges.
- Property taxes are the only substantial sources of funding over which municipalities have direct control. Reductions in this revenue source leave city officials with limited options to fund critical services.

DEQ to Offer Helene Grant Writing Assistance

As 2025 came to a close, the North Carolina Department of Environmental Quality (DEQ) launched the Western NC Recovery Grants Program to help communities affected by Hurricane Helene rebuild and secure long-term recovery funding. The program provides free grant-writing and technical assistance to towns, counties, and other local government units across the 39 federally declared disaster counties in Western North Carolina. Program highlights include:

- Strategic guidance: DEQ staff will help communities identify appropriate funding opportunities and shape strong project proposals.
- Direct grant support: DEQ grant staff will work one-on-one with local governments to prepare applications or provide targeted technical assistance.
- Eligibility: Open to local governments. Nonprofit 501(c)(3) organizations may participate with a local government partner.
- Grant readiness: Construction-related projects must have site control or ownership to qualify for most federal and state grant programs.

Communities seeking assistance can complete the [online form](#) on the Western NC Recovery Grants Program webpage. The program will remain open throughout the year, and there is no formal deadline to apply for assistance. However, if you have a specific grant with an established deadline, please share that in your application form.

The Western NC Recovery Grants Program is part of DEQ's broader [Helene recovery effort](#), which includes water infrastructure funding and technical assistance, river debris cleanup, and long-term resilience planning.

Assistance from the League is also available free of charge. If you would like to discuss aspects of your grant management process, including the overall administration and coordination of grant activities in your municipality, please reach out to our [Disaster Recovery team](#).

Municipal Activities Discussed by House Committee on Government Efficiency

The [House Select Committee on Government Efficiency](#) met this week and received presentations on the ongoing implementation of state and federal policies that end diversity, equity, and inclusion (DEI) programs across the University of North Carolina system and local governments.

First, the committee heard a presentation from an Asheville-based trial attorney who has sued the City of Asheville and Buncombe County numerous times, alleging violations of federal law related to local equity initiatives. While neither Asheville nor Buncombe County was invited to present or respond, the committee chair suggested that such an opportunity might be offered in the future.

Raleigh Mayor Janet Cowell and City Manager Marchell Adams-David also appeared before the committee to detail Raleigh's response to these changes in federal policy. One of the items that brought Raleigh to this meeting was a video released in October 2025 by an online media outlet that showed surreptitiously recorded conversations with city staffers from separate interactions in 2025. Manager Adams-David provided the committee with information on the processes underway within the city during the time the video's components were recorded. One such action that wasn't shown in the video is that portions of the recording occurred before the full federal guidance was released and before the city released legal guidance to departments.

Manager Adams-David also presented a detailed timeline of actions that the city took to suspend its DEI programs, an effort that began just days after President Donald Trump's Executive Orders were issued. By July 1, 2025, Raleigh had restructured its internal structure into an Office of Economic and Social Advancement, while also revising its standard contract documents, among other actions. The committee did not recommend or indicate future interest in Raleigh at the conclusion of their meeting.

Metro Mayors Gather in Chapel Hill for Annual Conference

In early December, the NC Metro Mayors Coalition held its Annual Meeting in Chapel Hill. The event, held December 4 and 5, saw more than 50 attendees participate in sessions focused on topics ranging from the state's political landscape, university-led innovation, and citizen incivility to transportation funding and demographic trends impacting some of the state's largest cities. The group packed a lot into two days. Attendees also had ample time to network with fellow attendees, including multiple recently elected mayors.



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