

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

SESSION LAW 2025-53
SENATE BILL 387

AN ACT TO AMEND THE BROWNFIELDS PROPERTY REUSE ACT AND THE
BROWNFIELDS PROPERTY TAX BENEFIT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-277.13 reads as rewritten:

"§ 105-277.13. Taxation of improvements on brownfields.

(a) Qualifying improvements on brownfields properties are designated a special class of property under Article V, Sec. 2(2) of the North Carolina Constitution and shall be appraised, assessed, and taxed in accordance with this section. An owner of ~~land and real property subject to a brownfields agreement entered into by the Department of Environmental Quality pursuant to G.S. 130A-310.32~~ is entitled to the partial exclusion provided by this section for ~~the first five taxable years beginning after completion of qualifying improvements made after the later of July 1, 2000, or the date of the brownfields agreement. 2000.~~ After property has qualified for the exclusion provided by this section, the assessor for the county in which the property is located shall annually appraise the improvements made to the property during the period of time that the owner is entitled to the exclusion. Subsequent qualifying improvements shall also be entitled to a separate exclusionary period.

(b) For the purposes of this section, the terms "qualifying improvements on brownfields properties" and "qualifying improvements" mean improvements made after to real property that is subject to a brownfields agreement entered into by the Department of Environmental Quality and the owner pursuant to G.S. 130A-310.32 provides written confirmation that the real property is eligible for a brownfields agreement pursuant to the Brownfields Property Reuse Act of 1997, Part 5 of Article 9 of Chapter 130A of the General Statutes, as amended, and provided that the real property is or becomes subject to a brownfields agreement as required under subsection (a) of this section.

(c) The following table establishes the percentage of the appraised value of the qualified improvements that is excluded based on the taxable year:

<u>Year</u>	<u>Percent of Appraised Value Excluded</u>
Year 1	90%
Year 2	75%
Year 3	50%
Year 4	30%
Year 5	10%."

SECTION 2. G.S. 130A-310.39 reads as rewritten:

"§ 130A-310.39. Fees.

(a) The Department shall collect the following fees:

- (1) A prospective developer who submits an application for a proposed brownfields agreement for review by the Department shall pay an initial fee of two thousand dollars (\$2,000).
- (2) A prospective developer who enters into a brownfields agreement with the Department shall pay pay, on a time schedule that the Department may



specify, a fee in an amount equal to the full cost to the Department and the Department of Justice of all activities related to the brownfields agreement, including but not limited to negotiation of the brownfields agreement, public notice and community involvement, and monitoring the implementation of and compliance with the brownfields agreement. agreement and requirements of this Part regarding the Notice of Brownfields Property. The procedure by which the amount of this fee is determined shall be established by agreement between the prospective developer and the Department and shall be set out as a part of the brownfields agreement. ~~The fee imposed by this subdivision shall be paid in two installments. The first installment shall be due at the time the prospective developer and the Department enter into the brownfields agreement and shall equal all costs that have been incurred by the Department and the Department of Justice at that time less the amount of the initial fee paid pursuant to subdivision (1) of this subsection. The Department shall not enter into the brownfields agreement unless the first installment is paid in full when due. The second installment shall be due at the time the prospective developer submits a final report certifying completion of remediation under the brownfields agreement and shall include any additional costs that have been incurred by the Department and the Department of Justice, including all costs of monitoring the implementation of the brownfields agreement. If, in an effort to implement and monitor the brownfields agreement, it must recover costs unanticipated in the agreement, the Department must provide to the prospective developer or then current owner documentation supporting any fee it charges a prospective developer or current owner pursuant to this section.~~

(3) Any owner of property subject to a recorded Notice of Brownfields Property that is out of compliance with the requirements of this Part regarding the Notice shall pay a fee to the Department and the Department of Justice equal to the documented costs to the State to enforce or otherwise seek to correct the noncompliance.

(b) Fees and interest imposed under this section shall be credited to the Brownfields Property Reuse Act Implementation Account.

(c) If a prospective developer fails to pay the full amount of any fee due under this section, interest on the unpaid portion of the fee shall accrue from the time the fee is due until paid at the rate established by the Secretary of Revenue pursuant to G.S. 105-241.21. A lien for the amount of the unpaid fee plus interest shall attach to the real and personal property of the prospective developer and to the brownfields property until the fee and interest is paid. The Department may collect unpaid fees and interest in any manner that a unit of local government may collect delinquent taxes."

SECTION 3. Section 1 of this act is effective for taxes imposed for taxable years beginning on or after July 1, 2025. The remainder of this act is effective when it becomes law.
In the General Assembly read three times and ratified this the 26th day of June, 2025.

s/ Rachel Hunt
President of the Senate

s/ Destin Hall
Speaker of the House of Representatives

s/ Josh Stein
Governor

Approved 12:44 p.m. this 2nd day of July, 2025