

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL 387

Agriculture, Energy, and Environment Committee Substitute Adopted 4/29/25
House Committee Substitute Favorable 6/24/25

Short Title: Brownfields Property Reuse Act Revisions.

(Public)

Sponsors:

Referred to:

March 25, 2025

A BILL TO BE ENTITLED
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 ~~properties,~~ "qualifying ~~improvements~~" ~~improvements,~~ and "subsequent qualifying improvements" mean improvements made 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.

(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 (1) A prospective developer who submits an application for a proposed
2 brownfields agreement for review by the Department shall pay an initial fee
3 of two thousand dollars (\$2,000).
- 4 (2) A prospective developer who enters into a brownfields agreement with the
5 Department shall ~~pay~~ pay, on a time schedule that the Department may
6 specify, a fee in an amount equal to the full cost to the Department and the
7 Department of Justice of all activities related to the brownfields agreement,
8 including but not limited to negotiation of the brownfields agreement, public
9 notice and community involvement, and monitoring the implementation of
10 and compliance with the brownfields agreement. ~~agreement and requirements~~
11 of this Part regarding the Notice of Brownfields Property. The procedure by
12 which the amount of this fee is determined shall be established by agreement
13 between the prospective developer and the Department and shall be set out as
14 a part of the brownfields agreement. ~~The fee imposed by this subdivision shall~~
15 ~~be paid in two installments. The first installment shall be due at the time the~~
16 ~~prospective developer and the Department enter into the brownfields~~
17 ~~agreement and shall equal all costs that have been incurred by the Department~~
18 ~~and the Department of Justice at that time less the amount of the initial fee~~
19 ~~paid pursuant to subdivision (1) of this subsection. The Department shall not~~
20 ~~enter into the brownfields agreement unless the first installment is paid in full~~
21 ~~when due. The second installment shall be due at the time the prospective~~
22 ~~developer submits a final report certifying completion of remediation under~~
23 ~~the brownfields agreement and shall include any additional costs that have~~
24 ~~been incurred by the Department and the Department of Justice, including all~~
25 ~~costs of monitoring the implementation of the brownfields agreement.~~ If, in an
26 effort to implement and monitor the brownfields agreement, it must recover
27 costs unanticipated in the agreement, the Department must provide to the
28 prospective developer or then current owner documentation supporting any
29 fee it charges a prospective developer or current owner pursuant to this
30 section.
- 31 (3) Any owner of property subject to a recorded Notice of Brownfields Property
32 that is out of compliance with the requirements of this Part regarding the
33 Notice shall pay a fee to the Department and the Department of Justice equal
34 to the documented costs to the State to enforce or otherwise seek to correct
35 the noncompliance.
- 36 (b) Fees and interest imposed under this section shall be credited to the Brownfields
37 Property Reuse Act Implementation Account.
- 38 (c) If a prospective developer fails to pay the full amount of any fee due under this
39 section, interest on the unpaid portion of the fee shall accrue from the time the fee is due until
40 paid at the rate established by the Secretary of Revenue pursuant to G.S. 105-241.21. A lien for
41 the amount of the unpaid fee plus interest shall attach to the real and personal property of the
42 prospective developer and to the brownfields property until the fee and interest is paid. The
43 Department may collect unpaid fees and interest in any manner that a unit of local government
44 may collect delinquent taxes."
- 45 **SECTION 3.** Section 1 of this act is effective for taxes imposed for taxable years
46 beginning on or after July 1, 2025. The remainder of this act is effective when it becomes law.