

2025-26 NCLM Legislative Goals

RESILIENT INFRASTRUCTURE

Establish long-term funding streams that adequately address water, sewer, stormwater, transportation and other infrastructure needs.

- Infrastructure – including roads, water, sewer, stormwater, parks and beaches – is critical to economic development and job creation.
- Many cities in the state are growing, creating a constant need for investment to keep pace with population growth; many cities and towns also have aging infrastructure that must be replaced.
- Creating long-term and more permanent funding streams for infrastructure will ensure adequate investments so that North Carolina thrives now and into the future.

Expand state transportation funding streams for construction and maintenance of municipal and state-owned secondary roads.

- Current Powell Bill and other state funding is not adequate to address transportation needs, particularly as they affect municipal and state-owned secondary roads.
- In many cities and towns, major commuting corridors are not receiving the level of investment needed to keep pace with traffic.
- More investment is needed for these roads if existing residents are to embrace business and residential growth.

Create incentives that encourage and adequately fund regionalized water and sewer solutions.

- A number of municipal water and sewer systems continue to financially struggle with deferred maintenance needs.
- These challenges came about largely due to population and job losses in rural areas, leading to an erosion of taxpayer and ratepayer bases.
- While legislators and municipalities have begun to address these issues with the creation of the Viable Utility Reserve and the use of ARPA funding, state estimates show needs still exceed expenditures by several billion dollars.

HEALTHY FINANCES

Expand funding opportunities for disaster resiliency and recovery efforts.

- North Carolina has faced a number of damaging natural disasters in recent years, including the unprecedent storm that devastated the western part of the state in the fall of 2024.
- To fully recover from these natural disasters requires a broad approach that focuses on infrastructure, housing and economic losses.
- Federal assistance and private insurance will not be enough to address these ongoing, critical needs or mitigate damage when future disasters hit.

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Provide local revenue options beyond the property tax.

- Roughly 40 percent of municipal general fund revenue is generated by local property taxes.
- Cities have little to no authority to raise significant revenue in other ways.
- A lack of diverse, local tax options can affect economic growth, as well as cause large swings in revenue based on economic changes.

Expand incentives and funding for local economic development.

- Funding is simply inadequate in many cities and towns to encourage job growth.
- State grants and incentives are often targeted in ways that fail to assist the areas in greatest need of job creation.
- Maintaining or expanding funding for film tax credits, major industrial site development, downtown development and renewable energy tax credits helps cities and towns across the state.

UPLIFTING UNDERSERVED COMMUNITIES

Support technical assistance programs to assist municipalities with securing or maintaining grants or other necessary municipal resources.

- Many municipalities do not have the resources to seek or administer grants, even as that source of funding could help meet the needs of residents.
- State, federal and other grant funding offers a significant opportunity for cities and towns to improve infrastructure or enhance services.
- Providing technical assistance to these municipalities can provide them with access to grant funding, providing resources not otherwise available to them.

VIBRANT COMMUNITIES & NEIGHBORHOODS

Preserve authority for extraterritorial jurisdiction to ensure that growth is well-planned and investments by homeowners and business owners are protected.

- A community's land-use planning tools, including ETJ, are vital as infrastructure investments are made that pave the way for economic growth.
- Protecting homes and businesses from incompatible uses continues to be an important feature of ETJs. As of 2022, at least 14 counties in North Carolina had no zoning restrictions, with several others being only partially zoned.
- Protecting neighborhoods from incompatible uses ultimately protects the value of residents' homes and property.

Update the annexation petition thresholds to make voluntary annexations easier to initiate.

- Voluntary annexation by petition currently requires 100 percent consent from all property owners, a threshold that can be impossible to meet even if a majority of property owners can benefit by utilizing their property for business or residential purposes.
- Lowering the threshold from 100 percent represents a middle ground that would still reflect the will of property owners but not handicap communities' ability to economically thrive.
- The ability of a city or town to grow and reflect its urban footprint is vital to it financial health; city services are relied on by residents whether they live in or near municipal boundaries.

ADAPTIVE MUNICIPAL OPERATIONS

Protect the ability of municipal elected officials, acting on behalf of local voters, to determine election formats, districts and other election matters currently under their purview.

- Locally-elected municipal officials are best positioned to understand the wishes of local voters and how those should be applied to local election matters.
- In many areas, residents prefer to avoid political polarization when it comes to the practical tasks of municipal government.
- Locally-elected municipal officials are in their communities every day and accessible to voters.