

Michael F. Easley
Governor



State of North Carolina
Office of the Governor

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GOV. EASLEY SIGNS WETLANDS REIMBURSEMENT LEGISLATION INTO LAW
Senate Bill 933 Provides Offsetting Property Tax Payments to Poorer Counties

RALEIGH – Gov. Mike Easley on Tuesday signed legislation that requires the state of North Carolina to reimburse poorer counties for lost tax revenue when it acquires property from them to offset wetlands losses from transportation projects in another county’s jurisdiction. Senate Bill 933 also requires the same form of reimbursement from local governments that buy property outside of their borders for wetlands mitigation for various development projects.

The law requires tax reimbursement only to the most economically distressed counties – designated by commerce officials as Tier 1 and Tier 2 – in the state.

“Under this law, counties that can least afford reductions in their tax base will get much-needed relief,” Easley said. “Senate Bill 933 provides fair compensation and helps ease tax burdens while still ensuring protection of our natural resources.”

When state or local governments acquire property, the land becomes tax exempt. The new law requires the state, when it acquires property in one county to offset wetlands losses in another county deemed Tier 1 or Tier 2, to pay upfront the equivalent of 20 years of projected local property taxes. The same holds true for counties and municipalities that buy property in neighboring counties deemed Tier 1 or Tier 2.

Sen. Cecil Hargett (D-Richlands) and Rep. William Wainwright (D-Havelock) were the bill sponsors.

“This new law is a positive step forward for our rural counties as they strive to maintain a high level of service with a limited tax base,” Sen. Hargett said. “The additional 20 years of tax revenue for these properties allows the affected governments to plan for the future without having to scramble each year to replace the tax loss.”

Senate Bill 933 passed the Senate by a vote of 46-1, and the House by a vote of 109-1.

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