



Brownfields Program Improvements

NCEDA asked the NC General Assembly to eliminate the basis for any objection of local governments to the benefits that developers are entitled to in the NC's Brownfields program. The result of the Association's efforts was the passage of Session Law 2025-53 (Senate Bill 387), which makes clear the significant benefits of North Carolina's Brownfields Property Reuse law. Certain local governments have denied developers certain intended benefits. The new law eliminates the basis for denial of the intended property tax incentives and ensures transparency for fees assessed.

Bottom Line

Session Law 2025-53 ensures brownfields redevelopment remain financially viable and development-ready by clearly stating the intended tax incentives with project realities and provides clearer regulatory expectations. The result is a stronger investment climate for reuse, reinvestment, and revitalization across North Carolina.

Sidebar: What This Means for Your Project

- **For developers:** Start construction earlier without losing tax benefits and capture new exclusions for phased expansions.
- **For local governments:** Stronger incentives support faster site reuse, higher long-term tax base growth, and community revitalization.
- **For expanding an existing brownfields sites:** New improvements qualify for their own five-year exclusion—unlocking additional value.

Tax benefits for brownfields redevelopment are no longer uncertain—and additional improvements are incentivized.

Expanded Property Tax Exclusions

Early construction counts: Clarifies that improvements begun after DEQ confirms eligibility—but before a brownfields agreement is finalized—qualify for the exclusion once completed, as long as the agreement is ultimately executed.

New five-year exclusion for subsequent improvements: Confirms that improvements made beyond the original development footprint now qualify for their own five-year property tax exclusion once completed, provided the property remains under a brownfields agreement.

Effective for taxes imposed in taxable years beginning on or after July 1, 2025.

Faster, More Flexible Development

These changes support additional development, expansions, and adaptive reuse by preventing misinterpretation and misapplication for early investment and allowing projects to move forward without waiting for final agreement execution.

Streamlined Fee Structure

S.L. 2025-53 updates how fees are assessed and collected by the Department of Environmental Quality (DEQ): - Improves the **process and transparency for fees assessed** - Allows recovery of **unanticipated implementation and monitoring costs** - Establishes a **noncompliance enforcement fee** tied to failures to meet Notice of Brownfields Property requirements, covering the State's enforcement costs

Effective July 2, 2025.

For compliant developers, these changes mean greater predictability, better-resourced oversight, and a more level playing field.