BOARD OF COMMISSIONERS
200 College Street, Room 326
Asheville, NC

July 14, 2026 – 5:00 PM

SPECIAL MEETING

Public Comment is taken at the beginning of the meeting.

CALL TO ORDER

PUBLIC COMMENT

NEW BUSINESS

1. Amend the Fiscal Year 2027 Budget

CLOSED SESSION

[MEET_FOOT]

Buncombe County Board of Commissioners

Request for Board Action

Meeting Date: July 14, 2026

NEW BUSINESS

Department: Governing Body **Presenter(s):** John Hudson, Budget Director

Contact: John Hudson, Budget Director
Eric Cregger, Interim Tax Assessor
Avril Pinder, County Manager

Subject: Amend the Fiscal Year 2027 Budget

Brief Summary:

On June 19, 2026, Senate Bill 889 became Session Law 2026-8 and placed a moratorium on the County's reappraisal that went into effect on January 1, 2026 and required the County to use the real property tax valuations from 2025 based on the 2021 Schedule of Values; and as a result of the passage of N.C. Session Law 2026-8 , the difference in the 2026 Property Values and the 2025 Property Value creates a revenue shortfall of $24,751,713, which creates a substantial revenue shortfall for the FY 2027; and pursuant to N.C. Gen. Stat. § 159-15, if after July 1, the revenues received are substantially less than anticipated, the Commissioners may amend the budget ordinance to increase the property tax levy to account for the unanticipated reduction in revenues; and the Board of Commissioners conclude that N.C. Sess. Law 2026-8 substantially reduces the amount of revenue coming into Buncombe County and requires the County to amend the Budget Ordinance to adjust the tax levies to account for the revenue shortfall.

Recommended Motion & Requested Action:

Adopt the amended FY27 budget with prior values and the following tax rates:
• Buncombe County – 61.54 cents per $100 of assessed value
• Unified Fire District – 17.38 cents per $100 of assessed value
• Asheville City Schools – 11.75 cents per $100 of assessed value

Attachments:

1. Presentation
2. Budget Ordinance FY27 Amended

Impact From SB889 / SB474

John Hudson, Budget Director

Eric Cregger, Tax Assessor

Agenda

Review of Options
Legislation
Property Values
Review of FY2027 Adopted Budget
SB889 Option
SB474 Option

Review of Options

OPTION 1:

- SB 889/SL 2026-8 - Delay Use of 2026 Values

OPTION 2:

- SB 474/SL 2026-47 - Use Revenue Neutral Rate with 2026 Values

Legislation

Background on SB 889/SL 2026-8

- Delays use of 2026* real estate revaluation values** until 2027; reverts to prior real estate revaluation values
- As it only targets 2026 real estate revaluations, limited counties are affected
- As County sets property values, all municipalities and special taxing districts are affected
- Adjusts the appeals process for 2026 and 2027

*2026 reval values would have impacted **FY2027** budget, under this law, they will affect **FY2028** budget
**Personal property like mobile homes, motor vehicles, and business equipment are not subject to SB 889

Background on SB 474/SL 2026-47

- Modifies applicability/exemptions of SB 889/SL 2026-8

- For Buncombe County: Can use revaluation values **if**
  - Adopt a revenue neutral tax rate, rounded up to nearest whole cent (39.22¢ up to 40¢)
- Does not apply to municipalities and special taxing district.

Property Values

Impacts of SB889 on Property Values

- Reappraisal 2026 was effective as of January 1, 2026
- Final estimates sent to all budget offices in spring
- 2026 reappraisal values delayed until January 1, 2027*
- 2021 reappraisal schedule of values must be used
- All real estate values will be updated accordingly
- All outstanding appeals for 2026 are still valid for 2027 and are still being reviewed

* No new schedule of values is to be created and the market for 2026 is not considered. The reappraisal values received in Spring 2026 should not change, unless there was a change to the property in 2026

Real Property vs. Personal Property

	Real Property*		Personal Property**			
	Real Estate	Public Service	Business	Individual	Motor Vehicle	**TOTAL**
2026 Reval	$69.3B	$1.1B	$3.1B	$316.6M	$3.9B	$77.7B
Prior Value	$46.6B	$0.8B	$3.1B	$316.6M	$3.9B	$54.7B

*Real Property is only assessed during a reappraisal unless it is improved, damaged, sold, or listed incorrectly between reappraisals

**Personal Property is reassessed every year during the listing period

Review of FY2027 Adopted Budget

November 2025

November 13
Board Budget Retreat

FY27 Budget Considerations to include:

- Code Enforcement
- Deaverview Mountain Planning
- Security
- Vehicle Replacement
- Professional Development
- Debt Service
- Community Investments
- Impacts of Federal Funding
- Fire Taxing District

January 2026

November 13
Board Budget Retreat

January 22
Capital Improvement Plan (work session)

Capital Project Landscape:

- Updates on current projects
- Discussion of the seven-year Capital Improvement Plan (CIP)
- How To Pay for it
  - Debt
  - General Obligation Bonds
- Introducing the Debt Service Fund concept

March 2026

November 13
Board Budget
Retreat

January 22
Capital Improvement
Plan (work session)

March 24
FY27 Budget
(work session)

FY2027 First Pass

- Economic Factors to include Record Inflation
- Requests from Departments
  - Reduced by $8.6M
- 37 position requests
  - 87 submitted at $10.6M
- Personnel related Drivers
- Incorporation of Air Quality
- Vehicle and Capital Requests

April 2026

November 13
Board Budget Retreat

January 22
Capital Improvement Plan (work session)

March 24
FY27 Budget (work session)

April 16
FY27 Budget (work session)

FY2027 Second Pass
- Revenue-Neutral Tax Rate:
  - 39.22 cents per $100 of assessed value
- Revenue Discussion
- $17.4M reduction
- 32 position requests (from 37)
- Education

April 2026

FY2027 Second Pass

- $5.5M more revenue
- $2M additional reduction
- 32 position requests
- Discussed tax rate of 43.54 (4.32 cents above revenue-neutral) to balance
- Financial Outlook – tax rate of 44.18 (4.96 cents above revenue-neutral) to maintain fund balance per policy until 2029 Reappraisal

No
Bo

April 28
FY27 Budget
(work session)

May 2026
Recommended Budget

Manager's Recommended FY2027 Budget
- $485.1M
- 32 new positions
- Recommended tax rate of 43.52 (4.3 cents above revenue-neutral)
- $1.9M use of appropriated fund balance

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Budget
session)

May 5
Budget Message
(regular meeting)

June 2026
Budget Adoption

November 13
Board Budget
Retreat

January 22
Capital Improvement
Plan (work session)

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FY2027 Budget Adoption

- $484.4M
- 28 new positions (from 32)
- Recommended tax rate of 43.20 (3.98 cents above revenue-neutral) from 43.52
- $2.6M use of appropriated fund balance

y 5
Message
meeting)

May 19
Public Hearing
(regular meeting)

June 2
Budget Adoption
(regular meeting)

FY26 Amended to FY27 Adopted

FY26 Amended Budget	FY27 Adopted Budget	$ Increase	% Increase
$439,206,852	$ 484,390,465	$ 45,183,613	10%

FY27 Budget Summary

Function	FY2026 Amended	FY2027 Adopted	(+/-)	New Positions	Drivers
Education	$125.9M	$137.3M	$11.4M		New K-12 funding formula
Public Safety	$99.2M	$106.3M	$7.1M	6	Jail health & food costs, firearm replacements, EMS cardiac monitors
Human Services	$96.8M	$100.1M	$3.3M	4	Legislative changes impacting aging population, increased need in adult guardianship, school nursing support and animal shelter operations
General Government	$66.4M	$72.4M	$5.9M	10	Countywide maintenance, deferred IT needs, elections staffing, restored community grants
Debt	$18.4M	$28.4M	$10.0M		2026 bond issuances for County capital, GO bond projects, existing general fund debt service
Interfund Transfers	$9.6M	$15.4M	$5.8M		Affordable housing, conservation easements, Enka recreation grant match, pay-go capital projects, reappraisal costs
Cultural and Recreational	$12.1M	$12.9M	$0.8M	3	Increased costs for safety needs, library material, branch furniture, equipment replacements, and standardized parks amenities
Economic & Physical Development	$10.8M	$11.7M	$0.9M	5	New code enforcement team to handle nuisance properties including Helene damaged properties, Code Purple
TOTAL	**$439.2M**	**$484.4M**	**$45.2M**	**28**	

FY27 Budget Non-Negotiables

Expenditures:

- New Debt Service for previously approved capital projects & 2022 General Obligation bonds: +$10M
- State Retirement and Health Care Costs: +$6.5M

Total: $16.5M

Loss of Revenue:

- SNAP Administration: -$1.7M
- One Time Sales Tax for Education: -$4M
- 911 Cost Share: -$1.6M

Total: $7.3M

FY27 Budget Drivers

- Increase in Education ($11.4M)
- Increase in Operating Expenses ($4.5M)
- Restoration of Community Investments ($4M)
- COLA ($3.8M)
- Other Interfund Transfers (Grants, Reappraisal and Transportation Funds) ($2.5M)
- New Positions ($2.1M)

Option 1 (SB889)

OPTION 1: SB 889/SL 2026-8
Delay Use of 2026 Values

Set of Values	Total Assessed Value		Tax Rate (Per $100 Of Assessed Value)		Adopted FY2027 Property Tax Revenue
Reappraisal	$ 77,737,796,009	x	0.4320	=	$ 334,148,141
Prior	$ 54,672,189,335	x	0.6154		

*Tax rate calculated at 99.5% collection rate

On May 5, we provided an estimate of a rate of 0.6389 per $100 of assessed value. That estimate was based on preliminary prior values as well as a recommended budget, and the legislation has also been amended multiple times since the original draft.

Option 1

- Maintains FY27 Budget Adopted by Commissioners on June 2
- Maintains education funding service levels and community investments
- Adjusts tax rate on prior values

Example of Impact of SB889

% Change in Value	Lower (25%)	Breakeven (42%)	Median (60%)	Higher (75%)
Prior Value	$350,000			
Reappraisal Value	$437,500	$498,588	$560,000	$612,500
Billing (Adopted Rate)[1]	$1,890	$2,154	$2,419	$2,646
Billing (SB889 Rate)[2]	$2,154	$2,154	$2,154	$2,154
Difference	**+$264**	**$0**	**-$265**	**-$492**

[1] Adopted Rate = 43.20¢. Applied to Reappraisal Value.
[2] SB889 Rate = 61.54¢. Applied to Prior Value.

Option 2 (SB474)

OPTION 2: SB 474/SL 2026-47
Use Revenue Neutral Rate

	Total Assessed Value		Tax Rate (Per $100 Of Assessed Value)		Property Tax Revenue
FY27 Adopted	$ 77,737,796,009	x	0.4320	=	$334,148,141
SB 474	$ 77,737,796,009	x	0.4000		$309,396,428
Revenue Loss					$ (24,751,713)

*Tax rate calculated at 99.5% collection rate

Option 2

- Uses Reappraisal Values
- Reduction of Revenue by $24.7M
- Must balance budget to pass this tax rate

Special Taxing Districts

Special Taxing Districts

Taxing District	Total Assessed Value (Prior Values)		Tax Rate (Per $100 Of Assessed Value)*		Property Tax Revenue**
Asheville City Schools	$ 11,451,200,941	x	0.1175	=	$ 13,397,304
Buncombe County Fire District	$ 29,300,611,440	x	0.1738		$ 50,532,344

SB474 does not apply to special districts and therefore, if Option 2 were taken, special district tax rates could remain as adopted (.0864 for ACS and .1196 for the Fire District)

*Collection rate applied for calculation of tax rate
**Does not include sales tax revenue for the districts

Authority to Amend the Budget Via SB474

“The governing body of a unit of local government affected . . . after passing its budget ordinance for the 2026-2027 fiscal year . . . may, amend that budget ordinance pursuant to G.S. 159-15 as if, after July 1, the local government had received revenues substantially different than the amount anticipated.”

Questions?

Requested Action

- Adopt amended FY27 budget with prior values and the following tax rates:(Option 1)
  - Buncombe County – **61.54 cents** per $100 of assessed value
  - Unified Fire District – **17.38 cents** per $100 of assessed value
  - Asheville City Schools – **11.75 cents** per $100 of assessed value

BUNCOMBE COUNTY
BUDGET ORDINANCE
FISCAL YEAR 2026 – 2027

WHEREAS, on June 19, 2026, Senate Bill 889 became Session Law 2026-8 and placed a moratorium on the County's reappraisal that went into effect on January 1, 2026 and required the County to use the real property tax valuations from 2025 based on the 2021 Schedule of Values; and as a result of the passage of N.C. Session Law 2026-8 , the difference in the 2026 Property Values and the 2025 Property Value creates a revenue shortfall of $24,751,713, which creates a substantial revenue shortfall for the FY 2027; and pursuant to N.C. Gen. Stat. § 159-15, if after July 1, the revenues received are substantially less than anticipated, the Commissioners may amend the budget ordinance to increase the property tax levy to account for the unanticipated reduction in revenues; and the Board of Commissioners conclude that N.C. Sess. Law 2026-8 substantially reduces the amount of revenue coming into Buncombe County and requires the County to amend the Budget Ordinance to adjust the tax levies to account for the revenue shortfall.

BE IT ORDAINED by the Board of County Commissioners of Buncombe County, North Carolina this the 14th day of July, 2026:

Section 1: Tax Levy – County, Asheville Local Tax School District, and Fire Protection, Ambulance and Rescue Service District

The tax rate shall be amended from 43.20 to 61.54 per $100 of assessed valuation is hereby levied for fiscal year 2026-2027, all of which is levied in the General Fund. This rate is based on an estimated total assessed, taxable property value of $54.7 billion returning to prior values per the appraisal moratorium established by SL 2026-8, and an estimated collection rate of 99.5 percent. Current Year Ad Valorem Tax Revenue is estimated to be $334,148,141.

The tax rate shall be amended from 8.64 to 11.75 per $100 of assessed, taxable valuation is hereby levied for fiscal year 2026-2027 for the Asheville Local Tax School District.

The tax rate shall be amended from 11.96 to 17.38 cents per $100 of assessed, taxable valuation is hereby levied for fiscal year 2026-2027 for the Fire Protection, Ambulance and Rescue Service District pursuant to Article 16 of NCGS Chapter 153A.

Section 2: Copies of this Budget Ordinance will be furnished to the County Manager, Finance Director, Budget Director, Human Resources Director, Clerk of Board of Commissioners, Tax Collector, and Tax Assessor for direction in fulfilling the responsibilities of their offices.

Section 3: All ordinances, resolutions, prior directives, or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Adopted this the 14th day of July, 2026.

Attest:

____
Clerk to the Board

Buncombe County Board of Commissioners:

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Amanda Edwards, Chair

Approval as to form:

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Attorney