August 2025 Advocacy Update

The Business Alliance for a Sound Economy (BASE) is the collective advocacy voice for over 9,400 trade association members and 65 businesses across southeastern North Carolina. BASE marshals its coalition to advance smart and sustainable growth, capital investment, economic prosperity, and quality of life.

Taking stock of July, looking forward to August

Following the recent passage of the One Big Beautiful Bill Act, July in **Washington** saw a shift in focus to new issues and contests brewing on the horizon. Notable pieces of legislation have been filed to **reform capital gains on real estate**, the **first bipartisan housing bill in a decade** is moving through the senate, and the clock is ticking for reauthorizing the **National Flood Insurance Program**.

Politically, a major shift in the U.S. Senate race took place with **Sen. Thom Tillis** reversing course on re-election, opting to retire at the end of his term. Former **Gov. Roy Cooper** gives Democrats a strong candidate. The top Republican contender is **Michael Whatley**, chairman of the Republican National Committee. The Gaston County resident and attorney has President Trump's endorsement and officially launched his campaign on July 31.

In **Raleigh**, the General Assembly was in recess for most of July, save a few days toward the end of the month in which **several votes were taken to override Governor John Stein's inaugural vetoes**. Supermajority votes in both the House and Senate are required to override vetoes. While the GOP holds a veto-proof supermajority in the Senate, it is one vote shy of a supermajority in the House. However, several key pieces of legislation garnered at least a handful of Democratic votes, making it possible to override the governor's vetoes. This month's update overviews the General Assembly's actions on overriding these vetoes and takes additional stock of several important measures passed just before the recess.

Meanwhile, things have been anything but quiet on the home front. **Locally, BASE has been monitoring and actively engaging with local elected officials and staff members on several policy developments**, and educating and organizing to prevent dangerous policies from passing into law. These include flood ordinances, development moratoria, and land use planning. Filing has also closed for municipal elections, with a number of contested races heading into the fall. All this and more are covered in this month's advocacy update.

NC Senate Bill 472 brings victories on water quality certs, upland basins, and tidal ditches

In July, Gov. Stein signed **Senate Bill 472** into law. The bill brought together several reforms into one legislative vehicle and enacted

Leland's disastrous flood ordinance revision stopped for now

At its July 17 meeting, **Leland Town Council** considered several potentially disastrous revisions to its flood ordinance that would

landmark policy gains to provide a more streamlined and predictable water quality regulatory environment. **The bill includes three major reforms**: expediting Section 401 water quality certifications, removing several regulatory road blocks for upland basins, and protecting man-made tidal ditches from CAMA overreach.

For many years, development projects that could impact wetlands, streams, or open waters have been tied up by state regulators while awaiting a **Water Quality Certification (Section 401 Clean Water Act)**, which is a prerequisite for a **federal permit (Section 404 Clean Water Act)**. These state delays affect numerous projects that are eligible for federal Section 404 permits, including those already vetted by the U.S. Army Corps of Engineers. This bill aligns the state regulatory process with the more streamlined federal process, creating an expedited review process with greater predictability.

Inland marinas have also fallen victim to state regulatory have caused serious harm to hundreds of existing homeowners, rendered large swaths of land virtually undevelopable, and cause major insurance complications. Moreover, some proposed revisions were in **direct contradiction to state law** and defied both environmental science and best practices of policymaking.

BASE organized a coalition of opposition to these proposals. The collective action of BASE, the **Brunswick County Association of Realtors**, **Wilmington Cape Fear Home Builders Association**, and other allies was instrumental in stopping these policy changes from taking effect. By a 3-2 vote, the town council voted to table consideration of the proposed revisions.

A full rundown of the proposed ordinance changes and their negative consequences is on the BASE website **here**.

roadblocks, with the **NC Division of Water Resources** requiring man-made **upland basins** to not just meet but exceed the water quality of the connecting coastal waters. Exceeding the quality of existing adjacent waters has proven nearly impossible. This bill replaces NCDWR's unreasonable standard with meeting (or exceeding) the ambient water quality of directly adjacent connecting waters. The bill also allows for oxygenation systems when necessary to meet standard.

Finally, this bill **puts a stop to the North Carolina Division of Coastal Management's (NCDCM) expansive misapplication of CAMA** to designate a host of man-made stormwater management features, i.e., **tidal ditches**, within "areas of environmental concern." CAMA's Implementation Clause (NC General Statute 113A-102a) specifically restricts CAMA's jurisdiction to the "natural environment" and "natural shoreline." However, NCDCM over time began to use CAMA to extend its regulatory oversight into manmade ditches, canals,

Pender County releases revised draft of its 2050 comprehensive plan

Pender County has posted a revised draft of its proposed new **2050 comprehensive plan** here.

BASE, along with the **Wilmington Cape Fear Home Builders Association** and **Topsail Island Association of Realtors**, met with county staff to advocate for a number policy improvements, some of which were reflected in the revised draft. The plan now goes before the board of commissioners for consideration, providing continued opportunity for engagement.

The comprehensive plan is a policy planning document not a regulatory document. Once adopted, it is critical for BASE and stakeholders to **remain engaged as the document is translated**

and drainage ponds sometimes stretching hundreds of feet into adjacent property, well beyond CAMA's intended purpose. This change does not weaken CAMA's ability to regulate within its intended focus of environmental protection but does create much-needed clarity on the Act's intended purpose and scope.

into the county's development codes and ordinances.

Several contested elections for local offices on this November's ballot

The election filing period has closed for local office with several contested races across southeast North Carolina. **Election Day for local elections is Tuesday, November 4**, with early voting beginning on October 16.

New Hanover County

Wilmington Mayor Bill Saffo seeks his tenth consecutive term versus former county commissioner

Brunswick County

Leland has **two council seats** on the ballot, with Richard Holloman and Bill McHugh both seeking re-election. Also running are Leland Hyer, Susan Waleed, Frank Pendleton, and Edgar Robbins.

Onslow County

Jacksonville has three contested races for **city council**. **Ward 1** features Jerome Willingham and Brian Jackson, **Ward 2** includes Mickey

Jonathan Barfield and Billy Craig.

The **Wilmington City Council** has three seats on the ballot, going to the top three finishers in an open field. Luke Waddell and Clifford Barnett seek to hold their seats. Also running are J.C. Lyle (former planning commission chair), Richard Collier (current planning commission member), Cassidy Santaguida, Chakema Clinton-Quintana, Shawn Guerrero, and Kelly Roberts.

Carolina Beach Mayor Lynn Barbee is challenged for re-election by Mohamed Hassan. Two candidates will run unopposed for two open town council seats.

Oak Island Mayor Liz White faces two challengers in Christopher Brown and Douglas DeArros. Six candidates are vying for **two council seats**.

In **Ocean Isle Beach**, three candidates are competing for **two town commissioner** seats. Debbie Smith is unopposed for mayor.

Shallotte has a contested **mayor**'s race between Art Domfeld and incumbent Walt Eccard.

In **Southport**, Joe Pat Hatem and incumbent Rich Alt face off in the **mayor**'s race. Five candidates are vying for **ward 1 alderman**, and five candidates also filed for **ward 2 alderman**.

Sunset Beach Mayor (Shannon Phillips vs. Nicholas Peters) and **Council** are contested races.

Brunswick County also has contested races for **Bald Head Island** Mayor and Smith, Fernando Schiefelbein, and Brad Brown, and the **At Large** seat features Cindy Edwards, Michael Yaniero, and Amity Holland.

Holly Ridge has a contested **mayor**'s race with Pete Parnian and Dorothy Royal. Five candidates are vying for **council seats**, Gregory Hines, Brandon Longo, Jeff Barton, Rena Bragg, and Joseph Correia. An unexpired council seat is on the ballot as Pamela Hall and Richard Royal face off.

North Topsail Beach has a contested **mayor**'s race with Richard Grant and Mike Benson. Five candidates are

Wrightsville Beach's next **mayor** will be Ken Dull, who is unopposed. Hank Miller, Lee Williams, David Wortman, Todd Schoen, and Margaret Baggett will compete for **two council seats**.

In **Kure Beach**, Allen Oliver is unopposed for **mayor**. Byron Ashbridge, Tracy Mitchell, and Mark Dirks will face off for **two town commissioner seats.**

Council, **Bellville** Mayor, **Boiling Spring Lakes** Mayor and Commissioner, **Bolivia** Alderman, **Carolina Shores** Commissioner, **Holden Beach** Mayor and Commissioner, **Navassa** Mayor and Commissioner, **Northwest** Mayor, **St. James** Council, and **Dosher Hospital Board**.

vying for **alderman** positions: Curtis Anders, Larry Strother, Kip Malcom, Tom Leonard, and Jeffrey Zehner.

Five candidates have filed for **Richlands Board of Aldermen**: Tom Brown, Marilyn Bunce, Kent Painter, Alice Betts, and Paul Conner.

In **Surf City**, five candidates have filed for **council** positions: Hugh Cannady, Jillian de Miranda, Jeremy Shugarts, Daniel Belvins, and Andy Pleil.

Swansboro also has five candidates for **commissioner**

seats: Pat Turner, Tim Vannoy, Jeffrey Conaway, Wayne Herbert, and Joe Brown.

The only contested races in **Pender County** are for Watha and Topsail Beach town commissioners.

Wilmington adjusts special use permits

At its August 5 council meeting, **Wilmington City Council** voted to reduce the number of **special use permit** cases in the city's zoning ordinance. Staff originally proposed a blanket replacement of all special use permits with conditional zoning, which would subject all properties and

General Assembly overrides veto of Power Reduction Act

The **Power Reduction Act** (Senate Bill 266) passed the General Assembly with modest bipartisan support, only to be met with Gov. Josh Stein's veto pen. The **General Assembly has now overridden the governor's veto**, making the bill law.

The legislation **keeps intact the 2050 carbon neutrality** goals for the State of North Carolina but **removes an early benchmark** to achieve 70% of the carbon neutrality goal by 2030. The largest and most efficient power generation projects, such as new nuclear plants, take significant time, planning and investment to bring online and could not be achieved anywhere close to 2030. As a result, **the early benchmark incentivized**

cases to legislative hearings.

The **city's planning commission** was divided on the proposal, offering only 4-3 support to the idea. BASE actively engaged on the issue and city council ultimately declined to approve the staff proposal in June, issuing guidance to retain but reduce the number of special use cases.

BASE and allied stakeholders engaged with city staff in revising their original proposal. The revised proposal reflected a more thoughtful review of special use permit cases, converting many to by-right with conditions, retaining special use permits for others, and ultimately reducing

smaller and less efficient projects, which produce power at a higher cost to customers.

By removing the early benchmark, the state has cleared the way for a more robust and cost-effective power grid, which will **save an estimated $15 billion for North Carolina ratepayers** and produce a more reliable power grid in the process. The legislation was a **top legislative priority for the North Carolina Chamber**.

Clock ticking on National Flood Insurance Program

The National Flood Insurance Program requires periodic reauthorization by Congress. The current deadline for reauthorization is September 30. Failure to renew the program could cause an interruption in the issuance and renewal of new flood insurance policies. According to the National Association of Realtors, a lapse in the program could impact an estimated 1,300 daily property sale closings. The program is especially important for real estate and development in southeastern North Carolina.

the number of existing special use permits that would be subjected to a conditional zoning hearings.

REINS Act becomes law over veto of House Bill 402

House Bill 402, originally dubbed the "REINS" Act, for "Regulations from the Executive in Need of Scrutiny," was **passed into law by a supermajority the General Assembly on July 29 over the governor's veto**. The final version of the act was titled "Limitations on Rules with Substantial Financial Costs."

The new law brings an **end to unchecked executive authority to make rules that require millions of dollars in compliance costs**. General Assembly approval is now necessary for regulatory acts by executive agencies that incur cost impacts of $20 million or more over five years. Rules that exceed $10 million over five years do not require General Assembly review but do require unanimous approval by the rulemaking agency's board or commission, and rules exceeding $1 million would require a two-thirds supermajority.

The legislation installs a higher level of review, new checks and balances, and requires greater consensus on potentially costly administrative rules and regulations.

Senate committee passes bipartisan housing bill

The Senate Committee on Banking, Housing, and Urban Affairs marked up and approved the "ROAD to Housing Act," sending the bill to the Senate floor. Floor debate has not yet been scheduled.

This is the first bipartisan housing bill in more than 10 years, with wide-ranging **stakeholder support**. The overarching intent of the legislation is to increase the supply of housing and tackle the challenge of housing affordability.

The bill covers eight areas:

Title 1: Improving Financial Literacy

Title 2: Building More in America

Title 3: Manufactured Housing in America

Federal legislation filed to expedite housing construction process

The **Accelerating Home Building Act** (Senate Bill 2361) was filed by U.S. Senators Bernie Moreno (R-Ohio) and Lisa Rochester (D-Delaware). The legislation seeks to create a **pilot program** at the U.S. Department of Housing and Urban Development to develop "pattern books," which are collections of pre-reviewed building designs with the intent of **helping developers secure permits and move to construction more quickly.**

The program's initial focus is on missing middle and infill construction, with set-asides for rural and high-opportunity areas. The legislation represents a **bipartisan recognition that cumbersome and restrictive land use regulations, permitting, inspection processes are key**

Title 4: Accessing the American Dream (i.e., financing)

Title 5: Program Reform

Title 6: Veterans and Housing

Title 7: Oversight and Accountability

Title 8: Coordination, Studies, and Reporting

A section-by-section overview of the legislation is available **here** from the senate committee.

drivers of a housing crisis. The national housing gap is approaching five million homes nationwide, and the housing gap in the state of North Carolina the gap is projected to eclipse 800,000 in less than five years. State lawmakers are taking similar measures to cut through red tape and delays.

This is one of the key provisions within the larger ROAD to Housing Act's framework.

New Hanover County pulls out of Joint Workforce Housing Advisory Committee

At its July 21 meeting,

voted 3-2 to withdraw the county from the joint city-county Workforce Housing Advisory Committee.

Originally created in 2019 by the county commission and

PAVE Act offers a new model for transportation funding

The **PAVE Act** (Projects for Advancing Vehicle-Infrastructure Enhancements) was signed by Gov. Stein in July, which enables **Mecklenburg County** to hold a referendum on collecting a **one-cent sales tax dedicated to funding transportation projects**. With state and federal transportation funding in short supply, **eyes across North Carolina are on the county's attempt to create a dedicated revenue stream to fund transportation infrastructure**.

County commissioners held a special meeting on July 30 to consider ballot language with a public hearing on August 6 and anticipated approval for this November's

Wilmington City Council, the committee was charged with developing a workforce housing study, conducting public awareness on workforce housing, making advisory recommendations to promote workforce housing, and provide an annual report to the commission and city council.

Following the county's withdrawal from the committee, **Wilmington City Council** advised its staff at its August 5 meeting to develop a means to continue the committee's work at the city level.

ballot. If approved by voters, the new sales tax would be split 40% for roads, 40% for transit, and 20% for rail projects. Initial revenue estimates are $325-330 million for the first full budget year beginning in July 2026. A 30-year impact is estimated to approach $20 billion in direct sales tax revenue alone, which could be leveraged as the local contribution for state and federal funding.

Local alternative revenue sources are included within the Wilmington MPO's new long-range transportation plan. With approximately **$8 billion in unfunded transportation infrastructure projects**, new sources of revenue are vital to the region's ability to meet the growing region's needs. If Mecklenburg County is successful in passing its local option sales tax in November, it could prove a model for the Cape Fear region to fill its funding gap and better compete for state and federal transportation dollars.

Local alternative revenue could prove vitally important to advance large transportation infrastructure projects like the estimated $1.1B replacement of the Cape Fear Memorial Bridge.

Development moratorium attempted in Brunswick County

BASE was very active in Brunswick County throughout the month of July. **By a 3-2 vote, Brunswick County Commissioners narrowly voted down an attempt for a full moratorium on residential development**. Following failed attempts to enact a moratorium in the past, Commissioner Randy Thompson attempted a moratorium by a different name, motioning for a "suspension" of development review for any development accommodating 12 or more units. He then amended his motion to specify "residential" development.

Thompson's motion was seconded by Commissioner Pat Sykes and failed 3-2 with Commissioners Mike Forte, Frank Williams, and Marty Cooke voting against. **The majority pointed to consistent legal advice against a moratorium citing significant legal risk to the county**. Given southeastern North Carolina's housing gap and affordability gap, a moratorium would also be disastrous for the region's ability to build and maintain a housing supply that is diverse and responsive to market demands. It would also spell **financial disaster for Brunswick County**, which needs continued growth to **fund capital improvements and utilities expansion**, and would invariably result in an increased tax burden for existing residents. BASE is carefully monitoring and working to educate on the importance of improving our housing supply and welcoming capital investment into the region.

The board majority in Brunswick County is working to amend its rules of order to prevent motions for board action on unnoticed items. This most recent motion for a development moratorium came during a time of the commissioner meeting set aside for board discussion. The original intent of this time on the agenda was to provide a forum to discuss emerging issues. However, in recent months, some commissioners have used the time to make motions for board action on issues that were not posted on the agenda, which limits public input

and the ability to research their legality or unintended consequences. Board discussion can be viewed on **this video**, beginning at the 3:32:15 mark.

Brunswick County considers stormwater utility, ordinance changes

Following the narrow defeat of potentially disastrous changes to Leland's flood ordinances, an attempt was also made to enact similar measures in **Brunswick County** as a whole. Any ordinance changes would only **apply to new development and have little to no impact on flood damage prevention**. County staff advised commissioners that many such measures would **run afoul of state statutes that prohibit downzoning and nonconformity.**

Commissioners were advised at their July 21 meeting that a far more meaningful approach to flood damage prevention would be to enact a **stormwater utility**. The County Manager suggested that Commissioners green light a feasibility study for such a utility, which would **allow the county an operational means to map, improve, and maintain stormwater management infrastructure**. Staff will continue to gather information on this and other options for the board to discuss and consider. **BASE is remaining attentive and engaged on the issue**, meeting with staff and elected officials to support smart and effective policies that actually protect property as well as protecting the property values and rights of homeowners and landowners.

People and Places

Natalie English, President & CEO of the **Greater Wilmington Chamber of Commerce**, was awarded the **2025 Board Chair's Award** by the **Association of Chamber of Commerce Executives** at its annual meeting in Philadelphia. English was also named Chair Elect for the national organization, which is currently chaired by the President & CEO of the Greater Boston Chamber of Commerce.

Pender County's Planning and Community Development Director Daniel Adams, is resigning to take another position, adding to the county's list of high-profile vacancies.

Bellville Mayor Mike Allen passed away on July 29. A retired Command Sergeant Major in the U.S. Army, Allen served in Brunswick County law enforcement and as Bellville's mayor since 2012. He served many years on the Wilmington MPO board.

Christina Burke, **Topsail Beach** assistant town manager, has been named the town's **acting town manager**. Previous Town Manager Doug Shipley resigned abruptly at the end of June after almost three years in the post citing a shift in the town's governing priorities.

President and Congress consider gains tax reduction on home sales

At least two bills have been filed so far in Congress to **reduce or eliminate capital gains taxes on home sales**. The **More Homes on the Market Act** filed by Jimmy Panetta (D-California) and Mike Kelly (R-Pennsylvania).This legislation would update the tax code to remove disincentives for homeowners to sell their properties. It would **raise the capital gains tax exclusion on the sale of a primary residence** from $250,000 to $500,000 for individuals and from $500,000 to $1 million for married couples.

The current gains tax exclusion was enacted in 1997 and has not been adjusted for inflation since. If the threshold were doubled it would essentially (but not completely) mirror an inflation adjustment in the original limits. By not adjusting the exclusion limit for inflation, **more and more homeowners are being taxed on home equity when selling a primary residence**. This has created a significant disincentive to selling a home and contributed to the gaps in available housing supply and affordability. Another piece of legislation, the **No Tax on Home Sales Act**, would eliminate capital gains taxes on primary residence sales altogether. **President Trump** is actively considering an adjustment to capital gains on home sales.

Who is Michael Whatley?

When **Sen. Thom Tillis** opted out of the 2026 re-election campaign, **former Gov. Roy Cooper** quickly entered the field, effectively replacing one of North Carolina's most prominent political leaders in the U.S. Senate race with another. **Cooper raised $3.5 million his first week in the race, setting a new fundraising record.** Republican Michael

Whatley is much less known than his Democratic counterpart. So, who is the GOP's new frontrunner?

Whatley entered the race with **President Trump**'s endorsement, having served as **chairman of the Republican National Committee** since 2024. For most of 2024 he served in the role alongside the president's daughter-in-law and Wilmington-native, Lara Trump. He was previously general counsel for the national party. Whatley grew up in **Watauga County** and currently resides in **Gaston County**, where he launched his campaign. He is married with three children and holds college degrees from UNC Charlotte and Wake Forest University, as well as Notre Dame.

His political roots in the state include serving as **chief of staff to former Sen. Elizabeth Dole** and **state chairman of the North Carolina Republican Party** from 2019-2024. He also recently served as President Trump's transition lead for energy, environment, and agriculture. Following his stint with Sen. Dole, Whatley **lobbied in D.C. on energy-related issues**. He previously held an energy-related posts in **President George W. Bush**'s administration. Pundits have estimated spending in North Carolina's 2026 U.S. Senate race will approach $750 million.

Peeling back the layers of One Big Beautiful Bill

It has been just over one month since President Trump signed the **One Big Beautiful Bill Act** into law, a sweeping tax and spending bill that includes **numerous provisions that impact the real estate and development communities**. Taking additional stock of the bill's impact, **here are some of its most consequential provisions**:

- The 20 percent Qualified Business Income Deduction (Section 199A) is made permanent and slightly improved. Originally scheduled to sunset in 2025, this secures one of the largest tax reductions for many independent contractors and pass-through businesses.
- Lower tax rates, higher standard deduction, and increased child tax credits set to subset in 2025 were also made permanent and enhanced.
- The $10,000 cap on SALT (state and local tax) deductions was increased to $40,000 through 2029. However, the $30,000 increase in the cap phases out for higher income earners. The Bipartisan Policy Center estimated 7.7% of North Carolina taxpayers may benefit from the increased SALT deduction.
- Made Opportunity Zones permanent, including full exclusion of capital gains on Opportunity Zone investments held for 10 years, along with other enhancements.
- Set a permanent estate and gift tax exclusion of $15 million per person, which would have fallen to $5 million. This is an important provision for family-owned businesses, which better secures their protection and continuity.
- Increases permanently the allocation of low-income housing credits to states by 12 percent and permanently lowers the requirement for private bond financing without a state credit allocation from 50 percent to 25 percent.
- Allows 529 college savings accounts to be used for earning and maintaining professional credentials, such as real estate licenses.
- Reinstates and makes permanent the 100 percent expensing of equipment, machinery, leasehold improvements, and nonresidential interior improvements to real property.
- The partial completion tax exemption for homes is expanded to also include condominiums, which ends de-facto phantom income for condo developers on pre-sale units.

- An increase in eligible business interest expense deductions, which is of particular help to larger real estate companies that previously experienced limits on depreciation or business interest expenses.
- Many clean energy tax credits are now on a pathway to termination, including the Section 45L New Energy Efficient Home Credit (immediately), Section 25D Residential Clean Energy Credits (property not placed into service by the end of 2027), and Section 48E Clean Electricity Investment Credit (gradual phase out but solar leasing arrangements can continue to benefit from the credit).

A note from Jerod

Thank you for your continued partnership with BASE. As the only organization in southeastern North Carolina wholly devoted to advocating for public policies that support and sustain good growth and economic vitality, BASE's impact continues to be felt in a major way.

Our victories in July are a testimony to the power of our coalition and the importance of our mission. *That coalition is only as strong as our membership. If you know of others who share our interest in advancing a policy agenda for a growing and prosperous region, please share about the important work we're doing at BASE.* ***Forward this advocacy update and encourage them to join as a new member.*** *It takes all of us to have the impact necessary to win the fights that matter!*

As a reminder, ***we will resume holding quarterly in-person meetings later this fall****. These members-only events are great opportunities to hear from leading voices in the fight for our future and take part in agenda-*

setting conversations. As always, please don't hesitate to reach out if BASE can be of service to you and your organization.

-Jerod Patterson, CEO