



TOWN OF NAGS HEAD

As community stewards we are charged with protecting and implementing the [Town's mission and vision](#) to address current challenges and future opportunities.

This budget represents proactive, intentional efforts to enhance the well-being of all residents and visitors.

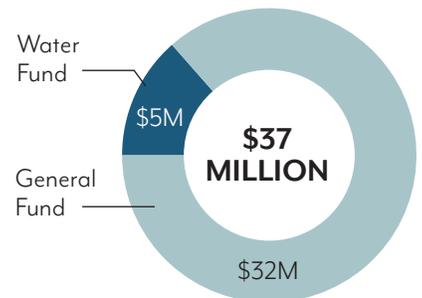
FISCAL YEAR 25-26 BUDGET IN BRIEF

Initiatives

 <p>Workforce housing for the Town's seasonal employees</p>	 <p>Clean, safe water efficiently delivered 24/7</p>
 <p>Innovative and nature-based flood mitigation projects</p>	 <p>Septic health program offering water credits for system pump outs, free inspections, and low-and zero-interest loans for repairs and replacement.</p>
 <p>Public beach and estuarine shoreline preservation</p>	 <p>Pursue grants that provide community enhancements</p>
 <p>Connected bicycle and pedestrian networks</p>	



Budget Comparison



Revenues & Expenditures

GENERAL FUND REVENUE SOURCE	Adopted FY 24-25	Adopted FY 25-26	GENERAL FUND EXPENDITURE FUNCTION	Adopted FY 24-25	Adopted FY 25-26
Ad Valorem Taxes	\$11,995,235	\$13,317,615	General Government	\$4,378,849	\$5,958,309
Other Taxes and Licenses (occupancy, sales, and land transfer taxes)	\$11,399,800	\$10,592,350	Public Safety	\$9,374,031	\$10,485,771
Intergovernmental Revenues (including grants)	\$6,022,265	\$2,049,298	Public Services	\$4,499,450	\$3,757,184
Permits and Fees	\$597,475	\$599,130	Environmental Protection	\$2,947,010	\$3,222,369
Investment Earnings	\$200,000	\$250,000	Streets and Stormwater	\$5,001,963	\$353,730
Other Revenue	\$398,695	\$374,099	Contingency	\$150,000	\$150,000
Sales and Services	\$75,000	\$70,000	Debt Service	\$2,519,154	\$1,243,400
Other Finance Sources (appropriated fund balance and transfers from other funds)*	\$10,476,786	\$4,828,180	SUBTOTAL	\$28,870,457	\$25,170,763
TOTAL	\$41,165,256	\$32,080,672	Transfers to Other Funds*	\$12,294,799	\$6,909,909
			TOTAL	\$41,165,256	\$32,080,672

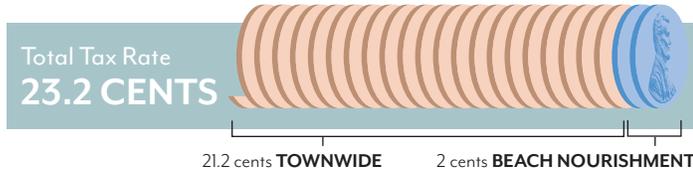
*Interfund transfers between the General, Capital Reserve, and Capital Investment Funds. Facility fees and beach nourishment related items are restricted in the Capital Reserve Fund and include grants, beach nourishment taxes, and a percentage of sales tax. Capital Reserve Fund revenues for this budget total over \$3.6 million. The Capital Investment Fund is used for capital items and debt service, and revenues include over a \$3 million transfer from the general fund.

Revenue Highlights

For more information on our tax rates, including those in our Municipal Service Districts, visit NagsHeadNC.gov/Tax.



One cent of ad valorem taxes generates **\$500,000**



Sales, occupancy, and land transfer taxes make up 33% of our budget. Without these collections we would have to almost double our current tax rate (21 cents) to equal the same amount of revenue.

OCCUPANCY **SALES** **LAND TRANSFER**

To review the full FY 2025-2026 budget document, please visit NagsHeadNC.gov/Budget.

Revaluation

Dare County's county-wide property revaluation took effect on January 1, 2025. Nags Head property values increased over 60%, from \$3 billion to \$5 billion, compared to the previous valuation completed in January 2020.

The primary purpose of revaluation is to align property assessments with their fair market value, reflecting current market conditions. Per NC statute, periodic valuations must occur at a minimum every 8 years.



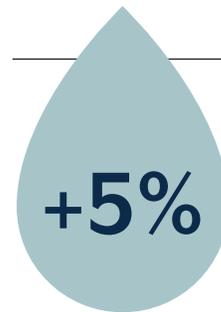
REVENUE NEUTRAL RATE

During the revaluation process, a revenue neutral tax rate is calculated. This is the tax rate that would generate the same amount of revenue prior to the revaluation.

The fiscal year 24-25 tax rate was **33 cents** per \$100 of assessed value, and the revenue neutral rate was **20.87 cents**.

The fiscal year 25-26 tax rate is **23.2 cents**, 2.33 cents higher than the revenue neutral rate.

This will generate an **additional \$1.165 million** in property tax above the revenue neutral rate, which will be used responsibly for upcoming shoreline projects and future infrastructure needs.



Water Rates

A 5% water rate increase to base and volumetric charges was adopted. This is necessary to ensure the continued reliability, safety, and sustainability of our water system.

Capital Improvement Initiatives

\$40 million

beach nourishment project tentatively scheduled for fiscal year 26-27

\$1.5 million

in grants received for estuarine shoreline management

\$4 million

grant received to place a conservation easement on Town-owned property in Nags Head Woods