

NORTH CAROLINA VETERANS

Legislative Record, Policy Gaps, and Comparative State Analysis

Research Report | June 18, 2026

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1. North Carolina's Veteran Population

North Carolina is home to approximately **621,000 veterans** — the 8th largest veteran population of any state — representing 7.3% of the adult population, well above the national average of 6.1%.¹ The state hosts 10 military installations and approximately 95,000 active-duty personnel.²

1.1 State Ranking by Veteran Population

Rank	State	Veteran Population
1	Texas	1,402,360
2	Florida	1,327,070
3	California	1,305,450
4	Pennsylvania	632,183
5	Virginia	629,500
6 — NC	North Carolina	615,509
7	Ohio	605,840
8	Georgia	601,304
9	New York	581,776
10	Illinois	478,196

Source: World Population Review, 2026³

1.2 Demographics & Geography

Post-9/11 veterans now make up the largest era cohort (31.3%), narrowly surpassing Vietnam-era veterans (29.9%). Female veterans account for 13.3% of NC's total — above the national 10.1% — driven by NC's large Marine Corps and Army presence.⁴

North Carolina's Black veteran share (~21%) is nearly double the national average (~12.6%), reflecting the state's overall demographics and concentrated settlement near Fort Liberty and Camp Lejeune.⁵

The Military Crescent: Highest-Density Veteran Counties

¹Carolina Demography / ACS 2024 — NC Veterans Snapshot — <https://carolinademography.cpc.unc.edu/2025/11/13/nc-veterans-2024-snapshot/>

²NC MILVETS — Veterans Insights Report 2023 — <https://www.milvets.nc.gov/north-carolina-veterans-insight-report/open>

³World Population Review — Veterans by State 2026 — <https://worldpopulationreview.com/state-rankings/veterans-by-state>

⁵NCSU IEI Policy Brief — Military Employment 2022 — <https://go.ncsu.edu/iei-policy-brief-military>

County	% Veterans	Est. Count	Military Presence
Onslow	21.8%	25,681	Camp Lejeune / MCAS New River (USMC)
Cumberland	18.1%	39,514	Fort Liberty / Fort Bragg (Army)
Hoke	17.4%	6,238	Adjacent to Fort Liberty
Craven	14.8%	10,912	MCAS Cherry Point (USMC)
Wayne	12.0%	10,292	Seymour Johnson AFB (USAF)

Source: WSOC TV / Stacker, 2019–2023 ACS⁶

1.3 Socioeconomic Indicators

Indicator	NC Veterans	Natl. Veterans	All NC Residents
Poverty rate	7.8%	7.6%	12.4%
Unemployment rate	3.7%	3.4%	4.0%
Homeless veterans (2024 PIT)	688	~32,882	—
Unsheltered share of homeless	23%	42.1%	—
Military retiree share	14.2%	10.9%	—

Sources: NC MILVETS 2023; NC Housing Finance Agency 2025⁷⁸

⁶WSOC TV / Stacker — NC Counties with Most Veterans, Nov 2025 — <https://www.wsoc.tv/news/counties-with-most-veterans-north-carolina/XFQXMUJUUFFOKVKTJZHI7LIFOQ4/>

⁸NC Housing Finance Agency — Veteran Homelessness Decreasing in NC, 2025 — <https://www.nchfa.com/news/policy-matters-blog/veteran-homelessness-decreasing-north-carolina>

2. What the NC General Assembly Actually Did: 2010–2026

The record since 2010 breaks into genuine achievements, structural failures, and outright regressions. This section covers actions — not resolutions, proclamations, or press releases.

2.1 Achievements (Real, Substantive Actions)

DMVA Established as a Cabinet Agency (2015)

In 2015 the General Assembly upgraded veterans affairs from a buried division inside the Department of Administration to a full cabinet-level agency — the Department of Military and Veterans Affairs (DMVA).⁹ The department absorbed the Veterans Affairs Commission, the Governor's Jobs for Veterans Committee, and the Military Affairs Commission. The bill (SB 973) had first been filed in 2009 — it took six years to pass.

Military Retirement Pay — Full State Income Tax Exemption (2021)

SB 105 / Session Law 2021-180, signed November 2021, fully exempted military retirement pay from NC state income tax for veterans with 20+ years of service or a medical retirement, effective tax year 2021.¹⁰ This is the most consequential pro-veteran tax action of the past two decades. The exemption also covers Survivor Benefit Plan recipients and was extended in 2022 to include the commissioned corps of NOAA and the U.S. Public Health Service.¹¹

Medicaid Expansion (2023)

On March 27, 2023, Governor Cooper signed House Bill 76, making North Carolina the 40th state to expand Medicaid. Coverage launched December 1, 2023. An estimated 14,000 veterans who had been in the coverage gap — too poor for ACA marketplace subsidies, ineligible for VA healthcare — gained coverage.¹²¹³

Occupational Licensing Reforms (2012–2020)

⁹NC DMVA Creation — 2015 Legislative Analysis —

<https://www.ncleg.gov/Files/LegislativeAnalysis/SummariesPublication/2015/Military,%20Veterans,%20and%20Indian%20Affairs.pdf>

¹⁰Our NC Military — Military Pension Tax Exemption, 2022 — <https://ourncmilitary.nc.gov/blog/2022/02/25/military-pension-tax-exemption>

¹¹NCDOR — Important Notice: NC Military Retirement Pay Deduction — <https://www.ncdor.gov/documents/important-notices/important-notice-north-carolina-enacts-new-deduction-certain-military-retirement-pay-and-survivor/open>

¹²Gov. Cooper Signs Medicaid Expansion Law, March 2023 — <https://governor.nc.gov/news/press-releases/2023/03/27/governor-cooper-signs-medicaid-expansion-law>

¹³Duke Health Policy — Who Would Gain Medicaid Coverage in NC — <https://healthpolicy.duke.edu/sites/default/files/2020-12/NC%20Council%20on%20Health%20Care%20Coverage%20-%20Meeting%201%20Compiled%20Slides.pdf>

Four rounds of legislation progressively eased occupational licensing for veterans and military spouses: HB 799 (2012), SB 545 (2015), HB 770 (2019), and HB 1053 (2020). The 2020 law required boards to process military applicants within 15 days. These are substantive, enacted reforms.

Education Benefits Expanded (2014, 2015, 2025)

NC appropriated \$5.86M in 2014 to match the federal Yellow Ribbon Program. In-state tuition was extended to veterans within three years of discharge in 2015. In November 2025, three new laws took effect: in-state tuition for veteran students living outside NC, discounted tuition for service members receiving tuition assistance, and guaranteed enrollment deferrals of up to five years.¹⁴

State Veterans Home Expansion (2012, 2013, 2023)

New state veterans homes opened in Black Mountain (2012, 100 beds), Kinston (2013, 100 beds), and Kenersville (October 2023, 120 beds).¹⁵ The Kenersville facility was funded primarily by a \$25.2M federal VA construction grant. Net capacity remains below the 2023 peak because of the Fayetteville closure (see below).

Camp Lejeune Statute of Repose Fix (2014)

On June 20, 2014 — within days of the U.S. Supreme Court's ruling in *CTS Corp. v. Waldburger* — Gov. McCrory signed SB 574, amending NC's 10-year statute of repose to add an exception for groundwater contamination claims. However, federal courts ruled the amendment could not be applied retroactively, leaving existing litigants unprotected. Real relief came only with the federal PACT Act in August 2022, co-sponsored by NC's own Senators Tillis and Burr.

2.2 Failures, Regressions, and Gaps

The 2013 Tax Regression

NC's 2013 tax simplification law eliminated the existing \$4,000 military retirement pay exclusion, effective January 1, 2014. For the roughly 80,000 post-1989 military retirees who did not qualify under the Bailey court settlement, retirement pay was fully taxable at 5.25% for eight years — 2014 through 2020. The legislature created the problem and took nearly a decade to fix it.

County Veterans Service Office Funding Eliminated (2014)

The 2014 Appropriations Act cut all state funding for county Veterans Service Offices — the local offices that help veterans navigate federal claims, benefits, and services. This created stark disparities between wealthy urban counties and poor rural counties (precisely the counties with the highest veteran concentrations). The Program Evaluation Division documented this gap, but the funding was never restored.

¹⁴UNC System — New Laws Expand College Access for Veterans, Nov 2025 — <https://www.northcarolina.edu/news/new-laws-expand-college-access-for-north-carolinas-veterans-and-military-families/>

¹⁵Gov. Cooper — Kenersville State Veterans Home Opening, Oct 2023 — <https://governor.nc.gov/news/press-releases/2023/10/31/governor-cooper-celebrates-opening-state-veterans-home-forsyth-county>

Fayetteville State Veterans Home Closure (2024)

This is the most concrete institutional failure of the period. The 150-bed Fayetteville facility — serving some of NC's most severely disabled veterans, in Cumberland County, the state's largest veteran community — was allowed to deteriorate for six years despite documented warnings:

- 2018: State inspectors flagged roof leaks and moisture damage. No corrective action.
- August 2022: \$3.1M in structural deficiencies identified. No repair funding allocated.
- Early 2023: Independent engineers confirmed black mold (*Stachybotrys* and *Chaetomium*) posing "immediate danger to occupant life safety." No emergency action.
- November 2023: Families of 85 residents given weeks' notice to find alternatives. Facility closed February 1, 2024.
- FY 2023–24 budget: \$1.5M had been set aside for "routine" home maintenance — against an estimated \$17.6–20M repair bill for Fayetteville alone.
- As of June 2026: No replacement facility is open. Net loss: 150 beds.

*State Sen. McInnis said he was "blindsided" and that the General Assembly had been "misled about the state of the home."*¹⁶¹⁷

Nine Years of Medicaid Non-Expansion (2014–2023)

Federal Medicaid expansion funding became available in 2014. North Carolina's Republican-controlled General Assembly refused it for nine years on ideological grounds. An estimated 12,000–14,000 veterans fell into the coverage gap during this period — too poor for ACA subsidies, not eligible for VA care — with no affordable path to healthcare coverage.¹⁸ NCDHHS estimated the delay cost North Carolina approximately \$521 million per month in foregone federal healthcare funding.¹⁹

Property Tax Exemption: 16 Years of Stagnation

NC's \$45,000 homestead exclusion for 100% permanently and totally disabled veterans has been unchanged since its 2008 enactment.²⁰ In nominal terms that cap was already inadequate; with NC's rising home values it has become functionally weaker each year. Bills to expand it — including HB 37 in 2023 (full exemption, failed) — have been introduced repeatedly and failed. Pending SB 660 (2025) would phase it up to \$500,000 by 2027 if enacted.²¹

No State Mental Health Funding at Scale

¹⁶CityView NC — Shuttered NC Veterans Home Had Problems for Years — <https://www.cityviewnc.com/stories/shuttered-n-c-veterans-home-had-problems-for-years/>

¹⁷DMVA Secretary Martin — Recommendation and Next Steps for Fayetteville Home, Dec 2024 — <https://www.milvets.nc.gov/news/press-releases/2024/12/31/dmva-secretary-martin-announces-recommendation-and-next-steps-state-veteran-home-fayetteville>

²⁰G.S. 105-277.1C — Disabled Veteran Property Tax Homestead Exclusion — <https://law.justia.com/codes/north-carolina/2015/chapter-105/article-12/section-105-277.1c/>

²¹SB 660 — Honoring Sacrifice: NC Veterans Relief Act 2025 — <https://lrs.sog.unc.edu/bill/honoring-sacrifice-nc-veterans-relief-act>

NC has no dedicated state funding line for veteran-specific mental health programs comparable to Texas or Virginia. Senate Bill 837, introduced in 2023, would have appropriated \$125M for veteran mental health, suicide prevention, addiction treatment, and employment programs.²² It was not enacted. NC has no dedicated state-funded veterans mental health crisis line; the state relies entirely on the federal 988 system.

Children of Wartime Veterans Scholarship Crisis (2025–26)

One of NC's oldest veteran commitments — a scholarship program dating to 1934 for children of disabled, deceased, or captured veterans — collapsed into a funding crisis in 2025–26. Spring 2026 awards were cut to 25% of the previous semester's amounts. The application portal for new applicants was closed pending General Assembly action. DMVA attributed the collapse to "fiscal mismanagement under prior leadership" combined with chronic underfunding.²³

2.3 The DMVA's Own Assessment

The department created to serve NC's veterans stated explicitly in its own strategic plan that it was **"not adequately resourced to accomplish the 24 statutory requirements given to it in the legislation forming the department."**²⁴ The FY 2024–25 General Fund appropriation to DMVA totaled \$11.6M — or approximately **\$19 per veteran per year** for an agency legally required to meet 24 statutory mandates.²⁵

²²NC SB 837 — Mental Health Support for Military Veterans 2023 — <https://www.ncleg.gov/Sessions/2023/Bills/Senate/PDF/S837v1.pdf>

²³Carolina Political Review — Children of Wartime Veterans Scholarship Crisis, Jan 2026 — <https://www.carolinapoliticalreview.org/editorial-content/2026/1/16/children-of-wartime-veterans-scholarship>

²⁴NC DMVA Strategic Plan — OSBM — <https://www.osbm.nc.gov/strategic-plan-dmva/download?attachment>

²⁵DMVA FY2024-25 BD307 — OSBM — <https://www.osbm.nc.gov/media/4250/download?attachment>

3. How NC Compares to Other Large-Veteran States

The primary comparison states are Virginia (~629K veterans), Pennsylvania (~632K), Ohio (~606K), and Georgia (~601K) — similar in total veteran population to NC. Texas (1.4M), Florida (1.3M), and California (1.3M) set the national policy benchmarks.

3.1 Military Retirement Pay: State Income Tax Treatment

State	Treatment	When Full Exemption
North Carolina	Fully exempt (20-yr service or med. retirement)	TY 2021
Virginia	Partial: up to \$40,000 deduction (capped)	Phased 2022–2025 (still capped)
Florida	No state income tax	Never taxed
Texas	No state income tax	Never taxed
Pennsylvania	Fully exempt — all military retirement pay	Long-standing
South Carolina	Fully exempt	Long-standing
California	Partial (\$20K, income-tested, expires 2029)	2025 (partial, temporary)
Georgia	Partial (tiered by age; full \$65K at all ages 2026)	Phased/tiered

Sources: AARP; NCDOR; *Our NC Military*²⁶²⁷²⁸

Key finding: NC's post-2021 full exemption is actually stronger than Virginia's, which remains capped at \$40,000. Pennsylvania, South Carolina, and Alabama had long-standing full exemptions. Florida and Texas never taxed it. NC's 2013–2020 regression — when most post-1989 retirees were fully taxed — was a self-inflicted wound.

3.2 Property Tax: Disabled Veterans (100% P&T)

State	Benefit for 100% P&T Disabled Veterans	Notes
North Carolina	\$45,000 homestead exclusion (capped)	Unchanged since 2008; SB 660 pending to raise to \$500K by 2027

²⁶AARP — States That Won't Tax Military Retirement Pay — <https://www.aarp.org/money/taxes/states-that-tax-military-retirement-pay/>

Virginia	Full exemption + 1 vehicle	Enacted 2011; survives to spouse
Florida	Full exemption (no cap)	Plus partial discount for 10%+ disabled at 65+
Texas	Full exemption (no cap, no income test)	Gold standard nationally
Pennsylvania	Full exemption	Income test: ≤\$114,637/yr required
Georgia	~\$122K assessed value exempted	Indexed annually by VA
South Dakota	Up to \$200K exemption	Paraplegics: full exemption
California	~\$180K assessed value exemption	Does not fully exempt even at 100%

Sources: VA Loan Network; AARP; NC DMVA²⁹³⁰

NC's \$45,000 cap is the weakest of any comparison state under current law. A 100% disabled veteran in a \$350,000 NC home pays taxes on \$305,000. The same veteran in Texas, Virginia, or Florida pays zero.

3.3 Medicaid Expansion: Healthcare Access for Low-Income Veterans

State	Expansion Date	Impact on Veterans
California	January 2014	First wave; broad coverage for low-income veterans
Pennsylvania	January 2015	Early expansion; strong veteran healthcare access
Virginia	January 2019	Covered NC-border veteran communities
South Dakota	July 2023	Voter-approved via 2022 ballot measure
North Carolina	December 2023	~14,000 veterans gained coverage after 9-year gap
Georgia	Partial (work req.)	"Pathways" waiver only — significant coverage gap remains
Florida	Not expanded	Large uninsured veteran population, no ACA option
Texas	Not expanded	Largest non-expansion state; high uninsured veteran count

Sources: NC DHHS; Duke Health Policy; Commonwealth Fund³¹³²

3.4 State Veterans Homes: Nursing Care Capacity

State	Homes	Operational Beds	Veterans	Beds per 1,000 Vets
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²⁹VA Loan Network — State Veteran Property Tax Exemptions 2026 — <https://valoannetwork.com/state-veteran-property-tax-exemptions/>

³¹NCDHHS — Medicaid Expansion FAQ — <https://medicaid.ncdhhs.gov/medicaid-expansion-questions-and-answers-english/open>

Pennsylvania	6	~1,608 total	~760K	~1.59
Texas	9	~1,500+	~1.46M	~1.03
California	8	~1,500+	~1.5M	~1.00
Florida	8 + 1 ALF	~1,000+	~1.4M	~0.71
Virginia	4	~512	~740K	~0.69
North Carolina	4 (post-closure)	419	~621K	~0.68
Georgia	2	Limited	~600K	Very low

Note: NC's operational bed count fell from 569 to 419 after the February 2024 Fayetteville closure. Source: CCK Law; VA State Veterans Home Fact Sheet 2025³³

3.5 How NC Is Ranked

Rankings vary significantly depending on what is measured. NC scores well on overall veteran quality of life and employment but poorly on disabled veteran-specific benefits.

Source	Year	NC Rank	Top-Ranked State
SmileHub — Overall Veteran Care	2026	#7	Virginia (#1)
SmileHub — Disabled Veterans	2025	#25	Florida (#1)
WalletHub — Best States for Military Retirees	2026	~15–25	South Carolina (#1, 3rd yr in a row)
WalletHub — Best Cities for Veterans	2024	Raleigh #1 city	Raleigh, NC
BestMilitaryResume.com — Overall	2026	#4	Not specified

Sources: SmileHub 2026; WalletHub / MOAA 2026³⁴³⁵³⁶

³³CCK Law — State-by-State Veteran Support and Spending — <https://cck-law.com/research/cost-of-care-analyzing-state-level-veteran-benefits/>

³⁴SmileHub — States That Care Most About Veterans 2026 — <https://smilehub.org/blog/states-that-care-the-most-about-veterans/161>

³⁵SmileHub — Best States for Disabled Veterans 2025 — <https://smilehub.org/blog/best-states-for-disabled-veterans/277>

³⁶WalletHub / MOAA — Best States for Military Retirees 2026 — <https://www.moaa.org/content/publications-and-media/news-articles/2026-news-articles/reads/this-state-topped-a-best-for-military-retirees-survey-for-the-third-year-in-a-row/>

4. Summary Assessment

NC has 621,000 veterans, two of the largest military installations in the country, and a \$12.1 billion annual federal VA footprint. The state General Fund commits approximately \$11.6 million to veterans affairs — **\$19 per veteran per year** — for an agency that its own leadership says cannot meet its 24 statutory mandates.

4.1 Scorecard: Actions vs. Rhetoric

Area	What Was Done	Assessment
DMVA creation	Cabinet agency established 2015	Positive but 6 years late; remains underfunded for its statutory mandates
Military retirement tax	Full exemption enacted 2021	Positive — but 8-yr regression (2013–2020) preceded it
Medicaid expansion	Signed 2023, launched Dec. 2023	9-year delay cost ~14,000 veterans coverage and \$500M+/month in federal funds
Occupational licensing	4 rounds of reform 2012–2020	Genuine, incremental progress; gaps remain
Education	Tuition parity laws; 2025 expansion	Positive; scholarship program collapse in 2025–26 was a failure
Veterans homes	3 new homes opened 2012–2023	Net capacity reduced by Fayetteville closure; Wake County home still not built
Property tax	\$45K cap unchanged since 2008	Stagnation; SB 660 (2025) pending but not enacted
Mental health	Study commissions; pilot programs	Systemic gap; \$125M bill (S837) not enacted; no state crisis line
Camp Lejeune	2014 statute fix (reactive, inadequate)	Relief required federal PACT Act; state provided no direct assistance
County VSOs	State funding eliminated 2014	Negative action — access disparity created

4.2 Core Tensions

1. Claims vs. resources: NC calls itself "the most military-friendly state" while funding its veterans agency at \$19/veteran/year and allowing its flagship Fayetteville veterans home to deteriorate for six years.

2. Federal dependency: The state has no large state-funded safety net for veteran mental health, homelessness prevention, or toxic exposure. Nearly every major program is federally funded, with the state in a coordination role it lacks the resources to fill.

3. Partisan delay at veterans' expense: The nine-year Medicaid non-expansion — the single most consequential healthcare access decision — reflected ideological opposition that directly left 12,000–14,000 veterans without affordable coverage for nearly a decade.

4. Structural underfunding: The DMVA was created without adequate staff or resources. The Fayetteville closure, the scholarship collapse, and the absence of a state mental health program are symptoms of the same institutional pattern.

The Bottom Line

"Thank you for your service" costs nothing. The record since 2010 shows a legislature that has made real but slow, incomplete, and heavily federally-dependent progress — with consequential failures where action required sustained investment or ideological flexibility.

5. Open Issues as of June 2026

Several major items remain unresolved as of the date of this report.

- **Fayetteville Veterans Home:** No replacement open. 150 beds lost. Secretary Martin recommended renovation over demolition (Dec. 2024); no timeline confirmed.³⁷
- **SB 660 — Property Tax Expansion:** Would phase the disabled veteran exemption from \$45K to \$500K by July 2027. Pending enactment.³⁸
- **Children of Wartime Veterans Scholarship:** Portal reopened for 2026–27 applications but recurring funding remains unresolved. Gov. Stein requested \$7M recurring.³⁹
- **Medicaid Trigger Risk:** Federal reconciliation legislation (signed July 2025) reduced the federal Medicaid match. NC's trigger law would automatically end expansion if the match falls below 90%, potentially stripping coverage from 630,000+ enrollees including thousands of veterans.
- **SB 1018 — HEAL Act (Psychedelic Therapy):** Bipartisan bill advancing in 2026 would fund \$5M in PTSD/trauma research through psychedelic-assisted therapy programs targeting veterans and first responders.
- **Gov. Stein — Executive Order 38 (May 27, 2026):** Signed to strengthen NC military communities and reaffirm DMVA's mission. An executive order, not a budget appropriation.⁴⁰

⁴⁰Gov. Stein — Executive Order No. 38: Strengthening NC Military Communities, May 2026 — <https://governor.nc.gov/executive-order-no-38-strengthening-north-carolina-military-communities>