



## **Capitol Update: Week of March 16, 2026**

### **County Associations Battling on Multiple Fronts**

#### **Property Tax Cap**

Next week will be critical for county governments as the associations are battling threats on multiple fronts. While the proposed cap on property taxes ([HB1873/SB2064](#)) was not scheduled to be heard this week, it is scheduled for a vote in both the House and Senate State and Local Government Committees next week. The Speaker of the House signed on as a co-sponsor, signaling his support for the measure. Now is a critical time for county officials to contact their representatives and senators and let them know how devastating it would be to county budgets if your ability to raise revenues is limited without any relief from state mandates, maintenance of effort provisions, and other restrictions on the county's ability to manage its own budget. **Call your senators and representatives, whether or not they serve on these two committees.** They can voice their concerns to their caucus members and encourage their fellow legislators not to approve this legislation. A separate bill to set a flat limit of \$3.00 on the property tax rate for counties and a \$2.50 limit for cities ([SB2383/HB2325](#)) was deferred until next year by the Cities and Counties Subcommittee, effectively killing the proposal for the year.

#### **Land Use Regulatory Authority**

A proposal that would undermine all land use regulations by county and city governments was debated this week in the House Judiciary Committee, with testimony in favor and opposed to the bill. [HB1837/SB1908](#) is being pushed by lobbyists for the development community. It would allow landowners to make claims for financial damages from local governments when they feel that a land use regulation or the application of a land use regulation has the effect of reducing the fair market value of their property. For a county with zoning, this means if the county denies a property owner who asks for a variance or requests a permit for use that is not currently

permitted under their zoning, they could then ask to be compensated for economic damages for not being allowed to develop their property the way they want. If the county concedes and grants the variance, neighboring properties could then demand compensation from the county if they can show that granting the variance lowered their property values. For the half of counties that do not currently have zoning, it would be cost-prohibitive to ever adopt zoning in the future because they would face claims for damages from every landowner who believed the zoning reduced the potential market value of their property.

Similarly, if a county votes to change subdivision lot-size requirements, this could result in claims for damages. While landowners can currently go to court if they feel local regulations result in a “taking” of their property, this legislation allows them to bypass the court and file a claim directly with the county without proving economic damages. If the county doesn’t pay the claim, it can then be sued in circuit court, with the property owner entitled to attorney’s fees, costs, and expenses, in addition to the economic damages for the reduction in value of the property, so it removes all risk for the property owner to sue. The bill is expected to be voted on Monday in both the House and Senate Judiciary Committees.

## **Other Mandates and Attacks on Local Autonomy**

With committees and subcommittees moving to close, controversial bills that infringe on local government authority or force new mandates on counties were common on calendars this week and next. These include:

- [SB1651/HB2394](#), which would have required counties choosing to fund a county-wide fire department to fund it at least at the same level as the county sheriff’s office. The bill narrowly passed out of the Senate State and Local Government Committee on Tuesday, even though a number of committee members spoke against it. The next day, it failed to get a single “aye” vote in the Cities and Counties subcommittee and is dead for the year.
- [HB92/SB387](#), which authorizes recall elections for county officials, was not heard by the Cities and Counties Subcommittee. With that committee closed, the proposal also appears to be dead for this year.
- [HB1451/SB2257](#), which requires all counties to establish a county ethics commission, was likewise not approved by the Cities and Counties Subcommittee. It is scheduled to be heard in the Senate State and Local Committee next week, but is unlikely to move.
- [HB1931/SB2043](#), which prohibits county commissions in charter counties from cutting the sheriff’s budget without the sheriff’s approval, was taken off notice by the sponsor in the House State and Local Committee.
- [HB608/SB1045](#), which prohibits a county from requiring a developer to pay for infrastructure deemed “nonessential” to the development of the property, was approved by the Cities and Counties Subcommittee in the House. It is scheduled for consideration in the Senate and House State and Local Committees next week.
- [SB2418/HB2069](#), which prohibits local governments from retaining legal counsel through a contingency fee agreement unless they first get approval from the state Attorney

General, is still moving forward. It was approved by the Senate Judiciary Committee this week and is scheduled for the House State and Local Government Committee on Tuesday, March 24.

## **Additional Attacks on County Tax Base**

The property tax cap isn't the only threat to county government revenue streams. Numerous other bills have the potential to reduce revenue to pay for essential county services and programs. These include:

- [HB1670/SB1675](#), which was amended to state that all parcels of property that include a single family home or townhouse must be classified as residential, regardless of the use of the property. This means rental property, short term rentals and other homes used as income generating property cannot be assessed as commercial. With that amendment, the Cities and Counties Subcommittee approved the bill and sent it to the full committee, despite a fiscal memo indicating it would cost local governments over \$50 million in taxes. The Comptroller's Division of Property Assessment calculated the potential impact based on the number of existing properties that would fall under this provision that are currently taxed at commercial rates. The bill is scheduled to be heard next week in both House and Senate State and Local Committees.
- [HB1969/SB1916](#) would alter the property assessment process for movable structures like campers that are being used for residences, and the bill undoes a reform recently passed by the General Assembly. This bill was approved by the Cities and Counties subcommittee last week. It was scheduled to be heard in the House State and Local Committee, but the sponsor took the bill off notice. It is still on the calendar for the Senate committee.
- [HB1716/SB2411](#) would freeze the value of residential property for tax purposes at the higher of the most recent sale price or mortgage valuation. This bill failed in the Cities and Counties Subcommittee. It was never placed on notice in the Senate.
- [HB1846/SB1824](#), which would eliminate rollback taxes when greenbelt property is transferred to a new owner who does not intend to keep the property in a qualifying use, was placed "behind the budget" in the House Finance Subcommittee this week due to its impact on local government revenue. It is scheduled to be heard by the State and Local Committee in the Senate next week.
- [HB1252/SB994](#), for which an amendment was filed to reduce the beer tax, was taken off notice after the impact to local revenues was determined.

## **Landuse Regulations**

A number of proposals related to cities and counties' ability to enact and enforce land-use regulations and manage growth are making their way through the legislature. Some would expand the authority of counties. Others would limit it. An administration bill that sets time limits for approving development applications, plans, and site inspections, [SB2237/HB2552](#), raises serious concerns for counties, especially those trying to manage growth. The bill, as amended,

requires local governments to approve a proposal within 60 days, provide a written report of any deficiencies within 30 days or request any additional information needed to ensure compliance with applicable regulations within 30 days. If the city or county misses any of these deadlines, the application is automatically approved. Local governments are limited to issuing two reports of deficiencies. If the developer doesn't satisfy the deficiencies after the second report, the county can deny the application and refund 50% of the fees paid by the developer or place the matter on the next agenda of the governing body or planning commission for conditional approval. The bill was approved by the Senate State and Local Committee and is scheduled to be heard in the House Committee next week.

A separate bill, [SB2053/HB1827](#), which grants local governments the ability to approve the location of any quarry or digital asset mining facilities in a public meeting, is moving forward. The bill was scheduled for a floor debate in the Senate, but was deferred for a week. It was approved by the Cities and Counties Subcommittee and heads to the full House State and Local Committee.

### **Some Positive Notes...**

While it seems like there are serious threats everywhere you look, there are also positive developments.

- [SB1865/HB2531](#), which creates a new grant program for equipment for rescue squads, has passed both the House and Senate and is headed to the Governor's desk.
- [HB1813/SB1480](#), which requires the state to pay for autopsies ordered by the District Attorney instead of counties, was recommended by the Senate State and Local Government Committee. The bill is projected to save counties over \$1 million each year. It is headed to the Finance Committees to see if the proposal can be funded.
- [HB1815/SB1724](#), which allows a sheriff to refuse to accept an arrestee in need of medical attention until the arresting agency obtains the necessary care for the individual, passed the House and was approved by the Senate Judiciary Committee.
- SJR48 to ratify an increase in the 911 fee was approved by the Departments and Agencies Subcommittee in the House and sent to the full committee.
- [HB2114/SB2450](#) was amended to call for a TACIR study on allowing required public notices to be placed on websites instead of publishing them in newspapers.