



Capitol Update: Week of March 2, 2026

Property Tax Cap Bill Advances in Subcommittee

[HB 1873](#) by Rep. Zachary was presented on Wednesday afternoon in the House Cities and Counties Subcommittee. The sponsor offered an amendment that slightly modified the proposal to allow annual increases of 3% per year plus the Consumer Price Index (also commonly called "CPI"). The original bill allowed counties to levy a rate that generated 2% more revenue plus CPI. The amendment also reduced the threshold to call for a referendum to exceed that rate to a simple majority instead of a $\frac{2}{3}$ vote. However, it kept the requirement that the referendum to approve a rate increase must be held in conjunction with a November election in even-numbered years.

With that amendment on the bill, the subcommittee approved the bill on a party-line vote, with all Republicans, including several former county commissioners, voting for the bill. The subcommittee's two Democrats from Nashville voted against it. TCSA Director David Connor testified in opposition to the bill, raising concerns about how it would impact local fiscal stability for county governments. He was joined by Will Denami, representing County Assessors of Property, and a representative of the Tennessee Municipal League. The bill heads next to the full State and Local Government Committee next week in the House. It is not on the calendar for consideration in the Senate State and Local Committee next week, but it is expected to be on notice for a vote on the committee's final calendar the following week.

County officials are urged to contact their Senators and Representatives about this critical piece of legislation. While HB1873/SB2064 appears to be the most serious threat, numerous other

proposals to alter the way property taxes are assessed, levied and collected are also making their way through the General Assembly. These include:

- [HB1969](#) would alter the property assessment process for movable structures like campers that are being used for residences and undoes a reform recently passed by the General Assembly. This bill was likewise approved by the Cities and Counties subcommittee;
- [HB1716](#) 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;
- [SB1706](#) was a bill that was expected to be amended to change the rules on how a taxpayer disputing their property taxes would pay the tax on appeal. The bill was deferred until next year in the State and Local Committee in the Senate. This effectively ends the proposal.
- [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 approved by the Agriculture Committee in the House and referred to Finance. It has not yet been scheduled for a vote in that committee. It is scheduled to be heard by the State and Local Committee in the Senate next week.
- Numerous other caption bills and proposals that could limit property taxes or reduce taxes on specific types of property are scheduled to be heard in both Senate and House Committees next week.

Ambulance Service Funding Proposals Advancing

Several bills aimed to improve and stabilize funding for ambulance services are making their way through the process. [HB2097/SB2221](#), which levies the annual ground ambulance service assessment, was approved by the TennCare Subcommittee and sent to the full Insurance Committee. These funds are used to draw down additional federal funds. Related proposals, [HB1836/SB1805](#) which would increase TennCare reimbursement for ambulance services from 67.5% to 110% of Medicare rates and [SB1376/HB1061](#), which attempts to improve reimbursement to ambulance services from private insurance companies, both moved forward. [HB1836/SB1805](#) is headed to the Finance Committees in both chambers. [SB1376/HB1061](#) was sent to the full Insurance Committee in the House and is scheduled for consideration by the Senate Commerce Committee next week. Because of the increased financial pressure on county ambulance services and the need many counties have to subsidize these programs, TCSA supports efforts to improve funding streams for emergency medical services from private insurance and TennCare.

Updates on Additional Bills of Interest to Counties

- [HB2186/SB2160](#), which allows metro counties to reduce the local option sales tax on food, was approved by the subcommittee and sent to the State and Local Committee in the House. It is scheduled to be heard by the Senate State and Local Committee next week;
- [HB1931/SB2043](#), which prohibits county commissions in charter counties from cutting the sheriff's budget without the sheriff's approval, was approved by the Cities and Counties Subcommittee in the House. It is not scheduled for consideration in the Senate;
- [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 State and Local Committee next week;
- [HB92/SB387](#), which authorizes recall elections for county officials, was moved to the final calendar of the Cities and Counties Subcommittee. It has not been scheduled for consideration in the Senate;
- [HB1451/SB2257](#), which requires all counties to establish a county ethics commission, is scheduled to be heard in both the House and Senate next week;
- [HB2419/SB2311](#), which requires county commissions to approve municipal annexations, was approved by the Cities and Counties Subcommittee in the House. It is not scheduled for consideration in the Senate.
- [HB1837/SB1908](#), which requires city and county governments to compensate landowners if any local land use regulation reduces the value of their land, was approved by the Civil Justice Subcommittee and sent to the full House Judiciary Committee. It is scheduled to be heard March 9th in Senate Judiciary. Under the bill, the landowner or their heir would have up to three years to make a claim for compensation after the county enacted some resolution or regulation that they believe impacts the market value of their property.
- [SB1589/HB1502](#), which creates a certification process for correctional officers and spells out more detail on what needs to go into a plan of action to correct deficiencies in local jails, has already passed the Senate. It is on a Consent Calendar in the House on Monday.
- [SB1865/HB2531](#), which creates a new grant program for equipment for rescue squads, has passed the Senate and was approved by the House State and Local Government Committee. It next goes to Government Operations in the House.
- [HB1813/SB1480](#), which requires the state to pay for autopsies ordered by the District Attorney instead of counties, was recommended by the Public Service Subcommittee last week and sent to the full House State and Local Committee where it is scheduled to be heard next week. The bill is projected to save counties over \$1 million each year.