Capitol Update: Week of March 9, 2026

Qualifying Deadline Passes and Committees Announce Final Calendars

The qualifying deadline to run for the state legislature passed at noon on Tuesday of this week. Out of seventeen state senate seats up for election this cycle, the incumbents in five districts have no opposition in a primary or general election and are guaranteed to be reelected. Similarly, in the House, 25 incumbent state representatives have no primary or general election opponent. The most hotly contested races appear to be in seats where legislators have chosen to retire. While this administrative deadline may seem unrelated to the legislative process, it can definitely impact a legislator’s thinking on hard votes when they know whether they have an opponent to face at the ballot box.

Meanwhile, most committees and subcommittees are now working on their “final” calendars. This means if bill sponsors have not put the bills on notice, they will not be heard this year. It also means committee workloads have dramatically increased as they try to work through a long list of bills. The Senate Agriculture and Energy Committee has completed its work and closed for the year. Most other Senate standing committees are on final calendars. Numerous House subcommittees are expected to close next week.

Property Tax Limitations

After moving out of a House subcommittee last week, the property tax cap legislation - HB 1873 by Rep. Zachary - was not presented this week in either chamber. It was scheduled to be heard in the House State and Local Committee, but shortly before the committee started, the sponsor asked for the bill to be deferred for two weeks. County associations were once again prepared to testify about concerns with the legislation. The companion bill, SB 2064 by Senator Watson, was not on the Senate State and Local calendar for this week. However, the bill was added to the "final" calendar for the committee. A similar proposal by Senator Hensley and Representative Hulsey (SB2002/HB2607) is also on that calendar. It was taken off notice by the House sponsor this week, so it appears the Zachary/Watson bill is the version being pushed. Another proposal to set a flat limit of $3.00 on the property tax rate for counties and a $2.50 limit for cities (SB2383/HB2325) is scheduled for consideration in both chambers next week. It is sponsored by a pair of democrats out of Memphis and Nashville.

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:

- 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.
- HB1969/SB1916 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 approved by the Cities and Counties subcommittee last week. It is scheduled to be heard in both State and Local Committees.
- 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 approved by the Agriculture Committee in the House and referred to Finance. It is now scheduled for a vote in the Finance Subcommittee. It is scheduled to be heard by the State and Local Committee in the Senate next week.

Expansion of Voucher Begins to Move Forward

An administration bill being pushed by Governor Lee, HB2532/SB2247, would expand his Education Freedom Scholarship program from 20,000 scholarships to 40,000. It passed its first hurdles this week, being approved by the K-12 subcommittee in the House and the Senate Education Committee. The program provides state funds to pay for a portion of private school tuition for k-12 students. When the legislation passed last year, it included a provision to allow an increase to 25,000 scholarships in the second year if all slots were utilized in year one. Lee, a long-time proponent of school choice initiatives, is pushing to double the size of the program before he leaves office. He included funding for the 40,000 scholarships in his proposed budget. At roughly $7,500 per student, this adds up to a $150 million expansion. This item is expected to be a major point of debate as the General Assembly begins crafting its budget. The expectation is that the final number of scholarships will be somewhere between the 25,000 currently authorized and the 40,000 the governor is requesting.

Landuse Regulations

A number of proposals related to the ability of cities and counties 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. Developers and builders have made a hard push this year with the administration and the legislature, claiming that housing affordability challenges are largely caused by costly delays that result from local regulations. 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 this week and is scheduled to be heard in the House Committee next week.

Other bills related to this topic include:

- 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;
- HB2419/SB2311, which requires county commissions to approve municipal annexations, was approved by the Cities and Counties Subcommittee in the House. It is scheduled for

consideration in both House and Senate State and Local Government Committees next week.

- SB1771/HB1720, which authorizes counties to prohibit extra-territorial zoning by cities, was approved by the House State and Local Committee last month and is waiting to be heard in the Finance Subcommittee. The companion bill is on notice with the Senate State and Local Committee.
- 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 early this month and sent to the full House Judiciary Committee. When the bill was brought up for consideration in Senate Judiciary this week, an attorney testified regarding serious issues with the bill and raised enough concerns that it was postponed for two weeks. 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.
- SB2053/HB1827, which requires local governments to approve the location of any quarry or digital asset mining facilities in a public meeting. The bill was recommended by the Senate State and Local Committee this week and is scheduled for the last meeting of the Cities and Counties Subcommittee.
- SB1685/HB1657, which allows an owner of a non-conforming use to rebuild an entire non-conforming structure without updating to zoning regulations, is scheduled to be heard in the House Cities and Counties Sub and Senate State and Local next week. Current law allows the owner of a non-conforming use to destroy and reconstruct current facilities necessary to the conduct of business so long as the new structure conforms to existing regulations on setbacks, height or other requirements on the location of the structure on the site. This bill would remove any of those requirements.

Updates on Additional Bills of Interest to Counties

- HB2186/SB2160, has been approved by the State and Local Government committees in both chambers and sent to the Finance Committees. The bill allows metro counties to reduce the local option sales tax on food;
- 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 was briefly taken off notice by the sponsor in the State and Local Committee, then added back to the calendar for next week. It is scheduled for consideration in the Senate Judiciary Committee;
- HB92/SB387, which authorizes recall elections for county officials, was moved to the final calendar of the Cities and Counties Subcommittee. The bill is not moving in the Senate and the proposal appears to be dead for this year;
- 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;

- SB1865/HB2531, which creates a new grant program for equipment for rescue squads, has passed the Senate. It is scheduled to be heard on the House floor on Monday
- HB1813/SB1480, which requires the state to pay for autopsies ordered by the District Attorney instead of counties, was recommended by the House State and Local Committee. The bill is projected to save counties over $1 million each year. It has been referred to the Finance Subcommittee in the House and is scheduled to be heard in Senate State and Local next week.
- 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, is scheduled for a floor vote Monday night. The bill is scheduled to be heard by the Senate Judiciary Committee next week.