



AGENDA MEMORANDUM

City Manager

City Council Regular Meeting Date: March 3, 2026

To: City Council
From: Dana A. Souza, City Manager
Date: January 30, 2026

SUBJECT: Florida Legislative Session 2026

BACKGROUND:

The following is an update on 2026 Legislation the City Council has expressed an interest in following.

Items for the City Council to consider for discussion at the December 16, 2025, meeting:

1. Property Tax Reform – PooleMcKinley’s Property Tax Update dated February 27, 2026, is included in the agenda packet.

HJR 201 – Elimination of Non-school Property Tax for Homesteads – Referred to the State Affairs Committee (favorable), the Select Committee on Property Taxes (favorable) and the House Ways and Means Committee. **Now in the House Ways and Means Committee. No change since February 3, 2026 update.**

This is a proposed constitutional amendment seeking to eliminate all non-school (local government) property tax levies on qualifying homestead properties. This bill also includes a new prohibition for counties and municipalities from lowering their total budgeted law enforcement funding below the higher level from either the 2025-26 or 2026-27 fiscal year.

- o Florida League of Cities Recommendation - Oppose

HJR 203 – Phased Out Elimination of Non-school Property Tax for Homesteads – Referred to the State Affairs Committee (favorable), the Select Committee on Property Taxes (favorable) and the House Ways and Means Committee (favorable), **Approved by the House and sent to the Senate on February 19, 2026. See PooleMcKinley 2/27/2026, Florida Property Tax Relief Weekly Update.**

This House Joint Resolution, in its current form, proposes a constitutional amendment to substantially revise the taxation of homestead property by eliminating non-school ad valorem taxes levied by counties, municipalities, and special districts on homestead

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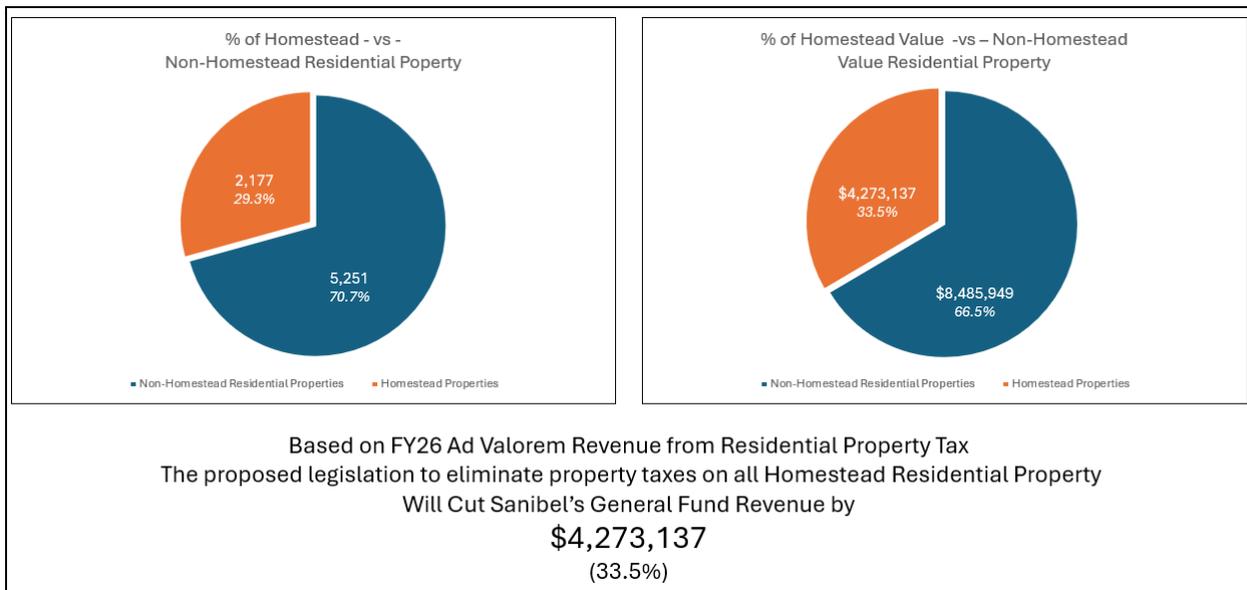
property, subject to voter approval. As amended on the floor, the joint resolution replaces earlier phased-in exemption proposals with an immediate exemption from all non-school ad valorem taxation on homestead property beginning January 1, 2027.

School district ad valorem taxes are not affected. The proposed amendment also establishes a constitutional funding maintenance requirement applicable to local governments by prohibiting counties and municipalities from reducing total budgeted funding for law enforcement, firefighters, or other first-responder services below the greater of the funding levels adopted for the 2025-2026 or 2026-2027 fiscal years. This limitation would apply notwithstanding reductions in local government revenues resulting from the elimination of non-school ad valorem taxes.

If approved by voters, the amendment would significantly reduce or eliminate a primary municipal general revenue source while simultaneously restricting local government budget flexibility with respect to public safety expenditures.

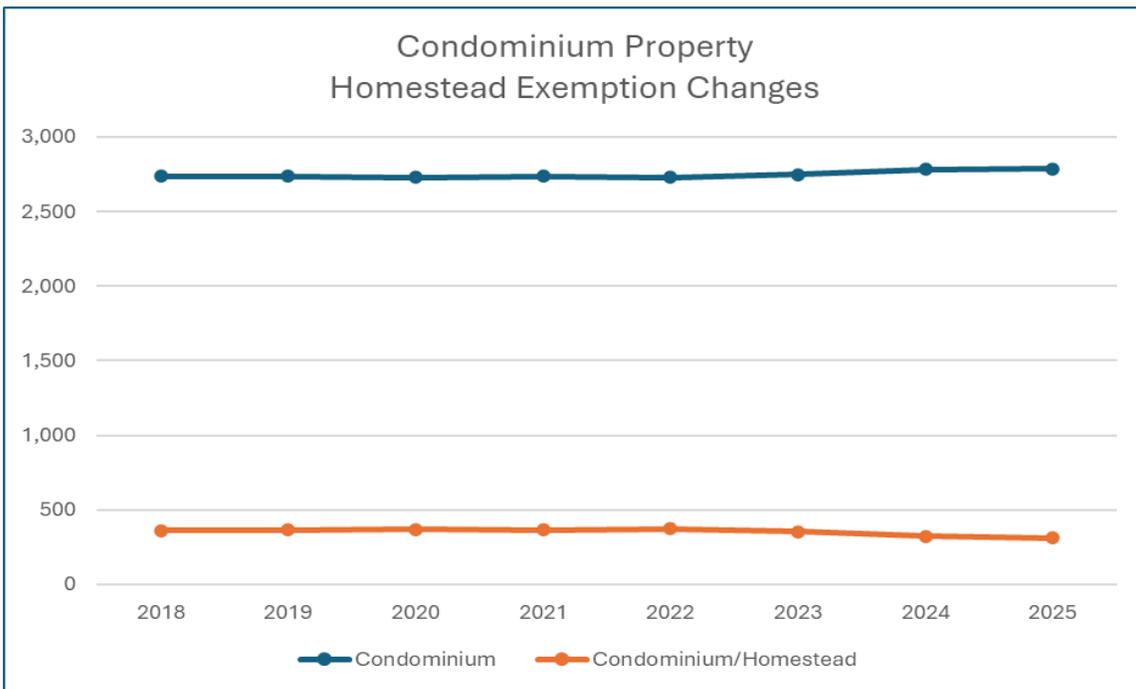
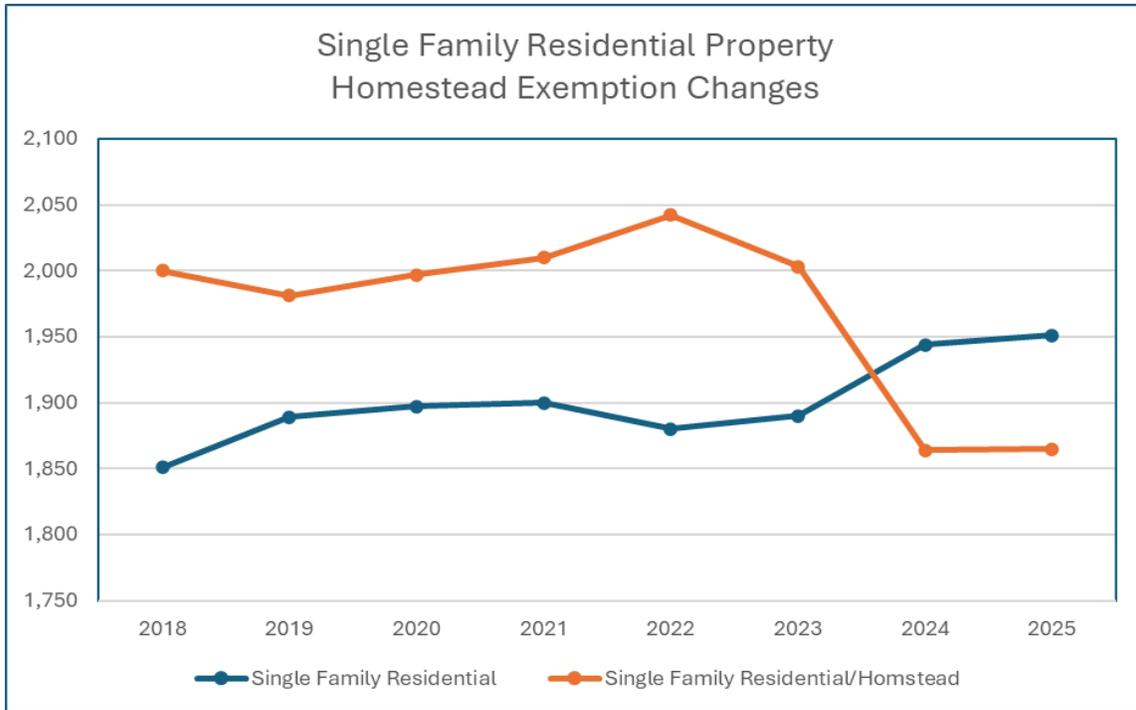
- Florida League of Cities Recommendation – Oppose

Tax Reform Impact to Sanibel – From the February 3, 2026 City Council Meeting – At the January meeting, the City Council asked staff to provide an estimate of ad valorem tax revenue Sanibel would lose should property taxes on homestead properties be eliminated, as proposed by HJR 203. The following graphics provide this initial information based on the FY2026 budget with a millage rate of 2.5000.



The estimated General Fund revenue loss is based on the current number of residential properties and the number of the residential properties that receive the current Homestead exemption. The estimated revenue loss will fluctuate over time, and the revenue loss could increase or decrease depending on the number of properties that qualify for the exemption.

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[HJR 205](#) – Elimination of Non-School Property Tax for Homesteads for Persons Age 65 or Older – Referred to the State Affairs Committee (favorable), the Select Committee on Property Taxes (favorable) and the House Ways and Means Committee. **Now in the House Ways and Means Committee. No change since February 3, 2026 update.**

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This is a proposed constitutional amendment seeking to fully exempt homestead properties from non-school property taxes if the owners of the property are 65 years old or older. This bill also includes a new prohibition for counties and municipalities from lowering their total budgeted law enforcement funding below the higher level from either the 2025-26 or 2026-27 fiscal year.

- Florida League of Cities Recommendation - Oppose

[HJR 207](#) – Assessed Home Value Homestead Exemption of Non-school Property Tax – Referred to the State Affairs Committee, the Select Committee on Property Taxes (favorable) and the House Ways and Means Committee. **Now in State Affairs Committee. No change since February 3, 2026 update.**

This is a proposed constitutional amendment that would provide a homestead exemption equal to the amount of 25% of the property's assessed value and applied after the existing exemptions for non-school property tax levies (cities, counties, special districts). The 25% calculation is not adjusted for inflation. This bill also includes a new prohibition for counties and municipalities from lowering their total budgeted law enforcement funding below the higher level from either the 2025-26 or 2026-27 fiscal year.

- Florida League of Cities Recommendation - Oppose

[HJR 209](#) – Property Insurance Relief Homestead Exemption Non-school Property Tax – Referred to the State Affairs Committee (favorable), the Select Committee on Property Taxes (favorable), the House Ways and Means Committee (favorable) and to the House Calendar. **Bill referred to House calendar – 2nd reading. No change since February 3, 2026 update.**

As originally filed, this is a proposed constitutional amendment to establish a new \$100,000 homestead exemption from non-school ad valorem tax levies for homestead properties that are covered by multi-peril property insurance policies. This exemption is adjusted for inflation annually. This bill also includes a new prohibition for counties and municipalities from lowering their total budgeted law enforcement funding below the higher level from either the 2025-26 or 2026-27 fiscal year.

HJR 209 was amended to increase the new exemption amount from \$100,000 to a \$200,000 exemption and specifies how the exemption will be applied to the assessed value. HJR 209 is further amended to include a prohibition on reducing first responder budgets, aiming to protect these services from potential budget cuts due to the loss of ad valorem revenues.

- Florida League of Cities Recommendation - Oppose

[HJR 211](#) – Accrued Save-Our-Homes Property Tax Benefit for Non-school Property Tax – Referred to the State Affairs Committee (favorable), the Select Committee on Property Taxes (favorable) and the House Ways and Means Committee. **Now in the House Ways and Means Committee – 1st reading. No change since February 3, 2026 update.**

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This is a proposed constitutional amendment seeking to remove the \$500,000 cap on the transferable Save-Our-Homes benefit (portability) for county and municipal levies, allowing for the full accrued benefit to apply upon establishing a new homestead. This bill also includes a new prohibition for counties and municipalities from lowering their total budgeted law enforcement funding below the higher level from either the 2025-26 or 2026-27 fiscal year.

- Florida League of Cities Recommendation - Oppose

[HJR 213](#) – Modification of Limitations on Property Assessment Increases – Referred to the State Affairs Committee, the Select Committee on Property Taxes (favorable) and the House Ways and Means Committee. **Bill referred to House calendar – 2nd reading. No change since February 3, 2026 update.**

This is a proposed constitutional amendment to change the assessment valuation caps for non-school property tax levies (cities, counties, special districts) from being adjusted each year, with homestead properties capped at 3% or the Consumer Price Index (CPI), whichever is lower and non-homestead properties capped at 10% or CPI, whichever is lower.

A proposed amendment would change the assessment valuation changes from each year to every three years, with homestead properties capped at 3% or CPI, whichever is lower, and non-homestead properties capped at 15% or CPI, whichever is lower. This bill also includes a new prohibition for counties and municipalities from lowering their total budgeted law enforcement funding below the higher level from either the 2025-26 or 2026-27 fiscal year.

- Florida League of Cities Recommendation - Oppose

2. [Local Business Taxes](#) – Bills have been introduced in the House and Senate related to Local Business Taxes. The Bills propose that municipalities collecting business taxes measured by gross receipts of businesses (sale of merchandise or services) may continue. Those that do not would be prohibited from collecting business taxes under their current methodology and would not be able to change to a collection methodology based on gross receipts. The Bills, if approved by the Legislature and Governor, will cause the City to lose between \$275,000 - \$350,000 annually, based on pre-lan revenues.

[HB 103](#) – Referred to the State Affairs Committee, the Intergovernmental Affairs Committee, the House Ways and Means Committee (favorable). **Approved by the House and sent to the Senate on February 17, 2026.**

- Florida League of Cities Recommendation - Oppose

[SB 122](#) – Referred to the Community Affairs Committee (favorable), Finance and Tax Committee, and the Appropriations Committee.

- Florida League of Cities Recommendation - Oppose

3. [Special Act relating to Lee County Tourist Development Council](#)

This Special Act was proposed at the Lee County Legislative Delegation Meeting held on October 28, 2025. The proposed language has been added to the agenda packet for

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this item. On December 29, 2025, Representative Giallombardo filed [HB 4047](#) titled “Lee County Tourist Development Council”. The Bill has been referred to the Intergovernmental Affairs and State Affairs committees. A Senate counterpart has not been filed. **Approved by the House and sent to the Senate on February 25, 2026.**

4. Auxiliary Containers (single use plastic) - [SB 240](#), Auxiliary Containers, is the Bill resident Lyman Welch asked the City Council to consider supporting. The Bill focuses on DEP developing a uniform ordinance for the use and disposal of single-use containers. Environmental and Natural Resources Committee (favorable), **Now in Appropriations Committee on Agriculture, Environment, and General Government. No change since February 3, 2026 update.**

Companion Bill HB 575 Auxiliary Containers has identical language. **Now in Natural Resources & Disasters Subcommittee. No change since February 3, 2026 update.**

- Florida League of Cities Recommendation – Monitor

SCCF is currently monitoring the bill but does not generally support it, as it preempts local control and authority. SCCF is concerned that a uniform, one-size-fits-all ordinance would limit Sanibel’s ability to adopt regulations tailored to the specific needs and priorities of the island. SCCF’s position is consistent with the [City Council’s Policy Position](#) on Home Rule Authority (Page 5).

Land Use Regulations for Local Governments Affected by Natural Disasters – [SB 840](#), Referred to the Community Affairs Committee (favorable), Judiciary Committee (favorable), and the Rules Committee. **Approved by the House and sent to the Senate on February 19, 2026.**

- Florida League of Cities Recommendation - **Support**

This Bill narrows the definition of “impacted local government” from counties within 100 miles of a hurricane’s track to those within 50 miles, and limits applicability to counties included in a federal major disaster declaration and municipalities within those counties. The bill also refines the scope of actions an impacted local government may not enforce for one year after landfall to be:

- Actions that delay the repair or reconstruction of hurricane-damaged improvements;
- Requiring repair or reconstruction of a hurricane-damaged improvement to comply with any comprehensive plan or land development regulation amendment that first became effective after landfall; or
- More restrictive procedural changes that extend development review timelines.

Companion Bill HB 1465 Restrictions on Local Government Regulations After a Hurricane. The FLC reports that this Bill does not narrow the geographic definition of “impacted local government” and retains the existing standard based on counties located within 100 miles of a hurricane’s track and the municipalities within those counties. Rather than narrowing applicability, the bill expands and specifies the scope of local actions subject to post-storm limitations by defining the terms “burdensome” and “restrictive.” These definitions expressly include actions that decrease allowable density, intensity, floor area ratio, or the amount of property available for development; actions

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that increase impact fees by more than 25% over a two-year period; actions that restrict or limit the use or future use of property in a manner that negatively affects economic value; and actions or inaction that create additional reviews, extend review timelines, or delay final action on pending applications **Now in Intergovernmental Affairs Subcommittee. No change since February 3, 2026 update.**

- Florida League of Cities Recommendation – **Oppose**

5. Preemption to the State – [SB 1444](#) (Jonathan Martin) and companion Bill [HB 1227](#) will expand state preemption over local regulatory authority. The following is from the FLC.

SB 1444 is **Now in Judiciary.**

- Florida League of Cities Recommendation – Oppose

HB 1227 is **Now in Intergovernmental** .

- Florida League of Cities Recommendation – Oppose

The bills preempt all local regulation that substantially burdens the free exercise of religion and require religious services and gatherings to be allowed in residential and commercial zoning districts, regardless of local land-use restrictions. Local governments would also be limited in regulating temporary parking associated with religious attendance. Any conflicting local ordinances, regulations, or policies would be void and unenforceable, although the bills expressly preserve the applicability of generally applicable building codes, fire safety standards, and health regulations.

Beyond religious gatherings, the bills impose additional preemptions affecting local permitting and land-use regulation. Local governments would be prohibited from denying a certificate of occupancy solely due to noncompliance with Florida Friendly Landscaping requirements. The bills also require local governments to issue permits for certain post-hurricane repairs to single-family homes for up to one year following an emergency declaration and prohibit the denial of permits to alter, modify, or repair a home when less than 50% of the structure or value is affected and the building footprint remains unchanged.

The legislation further expands permit exemptions for residential property by eliminating permit requirements for playground equipment, fences, and irrigation systems, and by exempting work valued under \$7,500 from permitting, excluding electrical, plumbing, and structural work.

The bills also restrict local regulation of private clubs by prohibiting differential treatment compared to other businesses, limiting regulation of non-member events, guest access, and internal governance, and creating a private cause of action that includes a waiver of sovereign immunity.

Finally, the bills preempt local regulation of vehicle and truck parking of home-based businesses on residential parcels larger than two acres and the parking of trailers or heavy equipment on residential parcels larger than five acres. (Cruz)

- Florida League of Cities Recommendation - Oppose

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6. Florida League of Cities Legislative Bill Summaries – [Click here](#) to view the FLC legislative session information AS OF February 27, 2026. .
7. Resident Input – Resident Lyman Welch has provided an email asking the City Council to oppose the following Bills:

[SB 718](#) and companion Bill [HB 479](#) which would preempt local water management.

- Florida League of Cities Recommendation – Oppose

[SB 208](#) and companion Bill [HB 399](#) which would preempt local land development regulations.

- Florida League of Cities Recommendation – Oppose
- SCCF – Oppose

8. Legislative Schedule for Week 8 of Session – PooleMcKinley has provided the following schedule for committee and bill discussions. This schedule is subject to change.

This week marks the 50th day (March 3rd) of the Legislative Session. Per the Senate rule, that is the last day for regularly scheduled Senate committee meetings.

In these final committees, the Senate will consider SB 7046 – Taxation, SB 1366 – Claims Against the Government, and bills related to local government cybersecurity, as well as local government funding and spending. The House has set Special Orders for Tuesday and Wednesday floor sessions, and those noticed bills are provided below.

Amendments:

- [SB 1614](#) – Local Government Funding (DE)
- [SB 1510](#) – Department of Environmental Protection
- [SB 7046](#) – Taxation
- [HB 1329](#) – Local Government Spending
- [SB 1566](#) – Local Government Spending
- [SB 1366](#) – Claims Against the Government
- [SB 1080](#) – Transportation (DE)
- [SB 354](#) – Blue Ribbon Projects (DE)

Monday, March 2, 2026 - 12:00PM

Senate Appropriations

- [SB 576](#) – Local Government Cybersecurity by Harrell
- [SB 1178](#) – Foreign Influence by Grall
- [SB 1614](#) – Local Government Funding by Leek
- [SB 7046](#) – Taxation
- [HB 5203](#) – Government Appropriations
- [HB 5501](#) – Documentary Stamp Tax Distributions

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Senate Fiscal Policy

SB 654 – Traffic Infraction Enforcement by DiCeglie
SB 1510 - Department of Environmental Protection by Massullo, Jr
SB 1548 - Affordable Housing by Calatayud

Tuesday, March 3, 2026 – Senate 50th Day Rule – 9:00AM

Senate Rules

SB 354 - Blue Ribbon Projects by McClain
SB 1080 – Transportation by DiCeglie
SB 1260 – Services During a State of Emergency by DiCeglie
SB 1366 – Claims Against the Government by Brodeur
SB 1548 – Affordable Housing by Calatayud
SB 1566 – Local Government Spending by DiCeglie

10:00AM

House Session

Special Orders

HB 433 - Department of Agriculture and Consumer Services by Alvarez, D.
SB 290 – Department of Agriculture and Consumer Services by Truenow
HB 905 – Foreign Influence by Persons-Mulicka
HB 399 – Land Use and Development Regulations by Borrero
HB 1451 – Utility Services by Busatta
HB 1009 – Governmental Agency Publication of Advertisements and Public Notices by Griffitts Jr.

Wednesday, March 4, 2026 – 10:00AM

House Session

Special Orders

HB 1389 – Affordable Housing by Redondo
HB 1085 – Local Government Cyber Security by Miller
HB 1329 – Local Government Spending by Benarroch
HB 1417 – Department of Environmental Protection by LaMarca
HB 543 – Transportation by McFarland
HB 437 – Public Records by Andrade
HB 1139 – Impact Fees by Gentry

FUNDING SOURCE: N/A

RECOMMENDED ACTION:

- Discussion and direction.
- Review draft letters for submission to Legislators.

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