



AGENDA MEMORANDUM

City Manager

City Council Regular Meeting Date: February 3, 2026

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

SUBJECT: Florida Legislative Session 2026

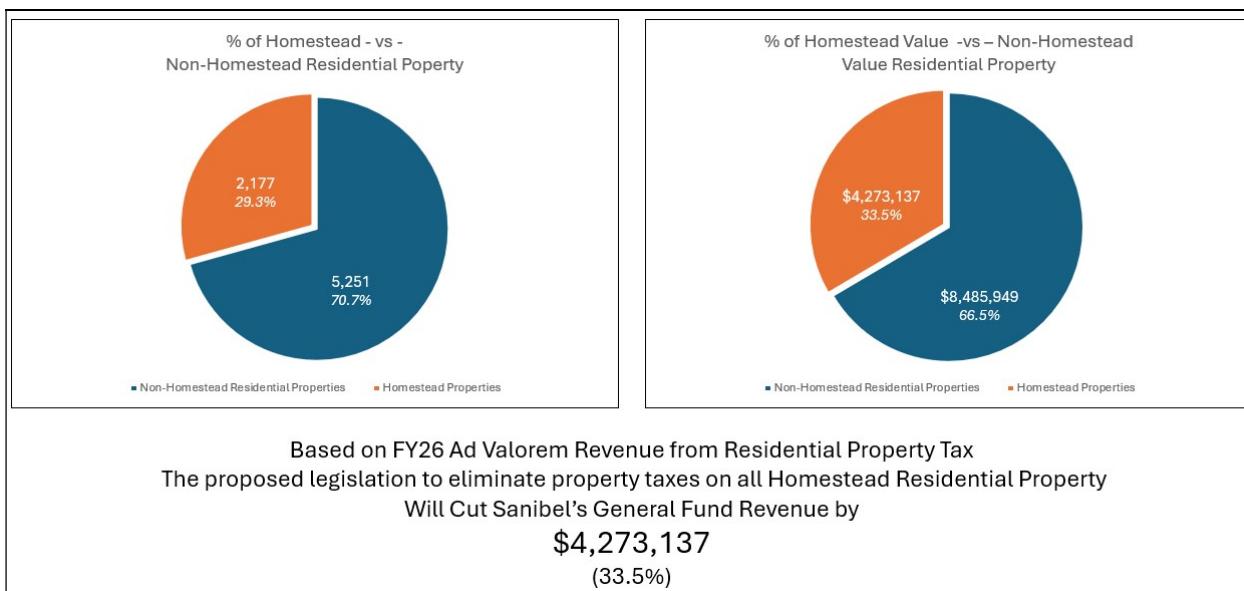
BACKGROUND:

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:

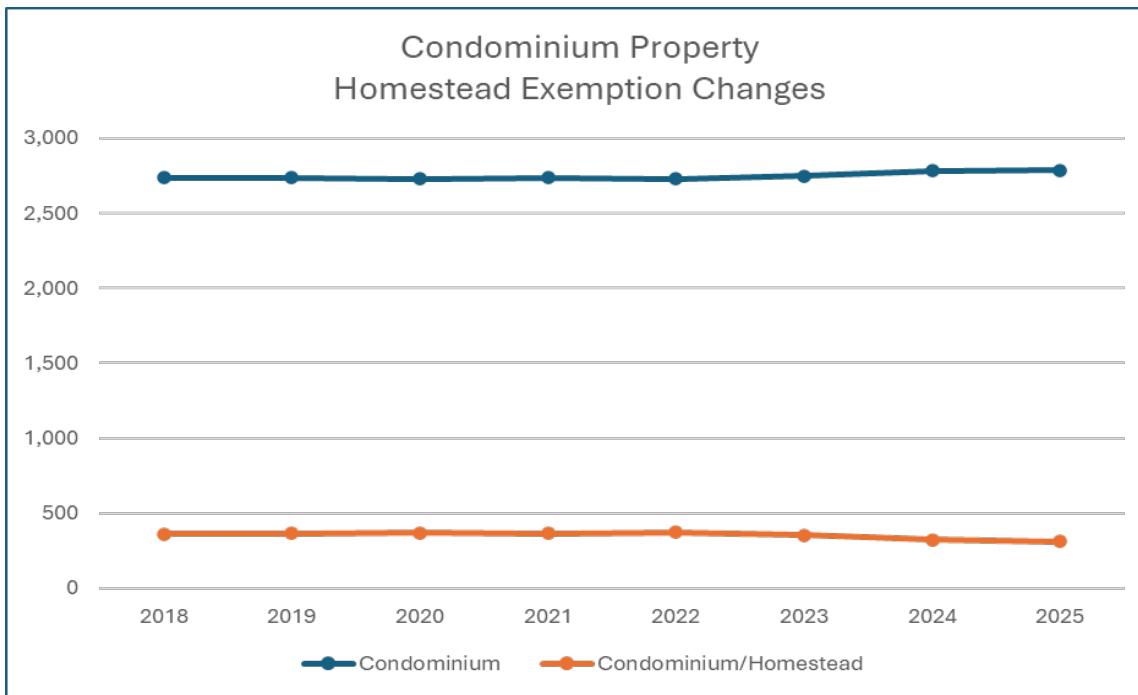
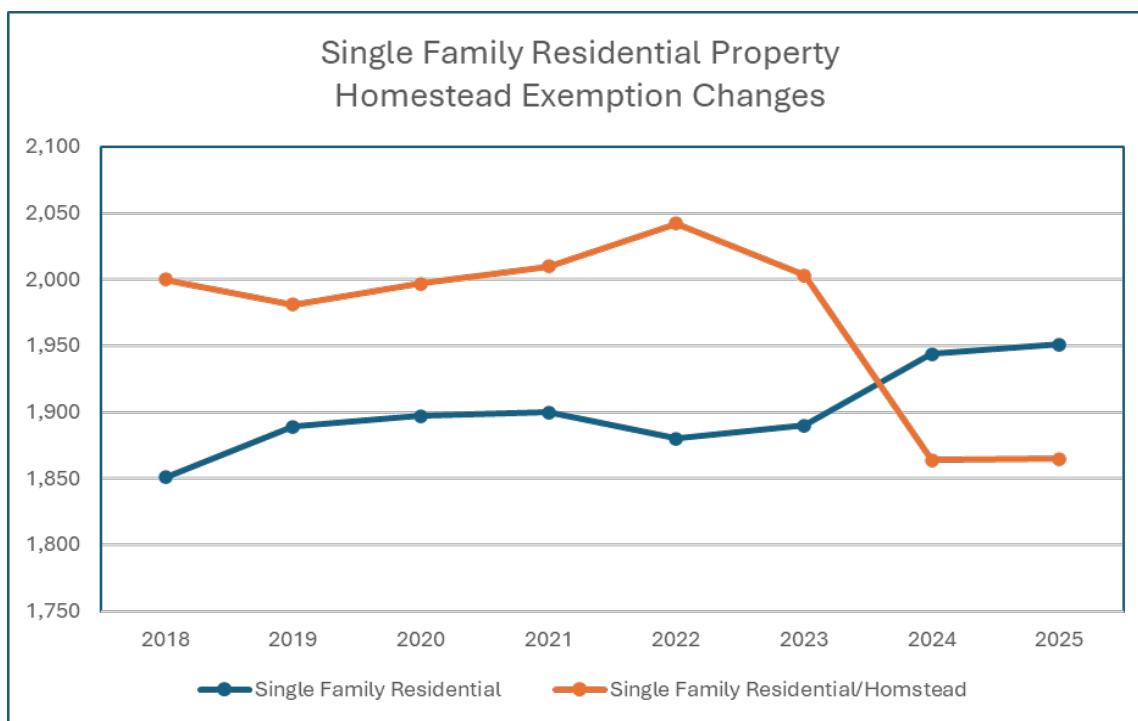
1. Property Tax Reform – PooleMcKinley's Property Tax Update dated January 30, 2026, is included in the agenda packet.

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 some of the HJR's propose. The following graphics provide this initial information based on the FY2026 budget with a millage rate of 2.5000.



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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.



[HJR 201](#) – Elimination of Non-school Property Tax for Homesteads – Referred to the State Affairs Committee (favorable), the Select Committee on Property Taxes

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(favorable) and the House Ways and Means Committee. **Now in the House Ways and Means Committee.**

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.

- 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), **Bill referred to House calendar – 2nd reading.**

This is a proposed constitutional amendment that would establish a new, additional \$100,000 homestead property tax exemption for non-school property tax levies (cities, counties, special districts) each year for the next 10 years. In 2037, any homestead properties with taxable valuation remaining will be considered fully exempt from non-school ad valorem property taxes. 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 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.**

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.**

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.**

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.**

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.**

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). **To be heard by the House State Affairs Committee on February 3.**

- 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 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. **Now in State Affairs Committee.**

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.**

Companion Bill HB 575 Auxiliary Containers has identical language. **Now in Natural Resources & Disasters Subcommittee.**

- Florida League of Cities Recommendation - Monitor

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. **Now in Rules Committee.**

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This Bill amends Sections 18 and 28 from last session's SB 180 (Chapter 2025-190), which placed limits on local land-use, planning, and permitting authority after a major disaster. The 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.

Companion Bill HB 575 Restrictions on Local Government Regulations After a Hurricane. **Now in Intergovernmental Affairs Subcommittee.**

- Florida League of Cities Recommendation – Support

6. 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.

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

7. Florida League of Cities Legislative Bill Summaries – [Click here](#) to view the FLC legislative session information.
8. 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
9. Legislative Schedule for Week 4 of Session – PooleMcKinley has provided the following schedule for committee and bill discussions.

Tuesday, February 3, 2026

8:00AM

H Judiciary Committee

HB 905 – Foreign Influence by Persons-Mulicka

H State Affairs Committee

HB 243 – Electric Bicycles by Benarroch

HB 103 – Local Business Taxes by Botana

1:00PM

S Judiciary

SB 1178 – Foreign Influence by Grall

SB 1366 – Claims Against the Government by Brodeur

S Regulated Industries

SB 1724 – Utility Services by Martin

SB 1014 – Provision of Municipal Utility Service Outside the Municipal Limits by Mayfield

2:30PM

H Civil Justice & Claims Subcommittee

HB 635 – Cybersecurity Standards and Liability by Giallombardo

3:30PM

S Agriculture

SB 962 – Affordable Housing by Bradley

S Community Affairs

SB 1134 – Official Actions of Local Governments by Yarborough

SB 1548 – Affordable Housing by Calatayud

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SB 1614 – Florida Building Code by Leek

S Environment and Natural Resources

SB 1510 – Department of Environmental Protection by Massullo, Jr.

Wednesday, February 4, 2026

9:00AM

H Natural Resources & Disasters Subcommittee

HB 1297 – Beach Management by Greco

HB 1417 – Department of Environmental Protection by LaMarca

10:30AM

S Banking and Insurance

SB 1706 – My Safe Florida Condominium Pilot Program by Pizzo

1:00PM

S Appropriations Committee on Transportation, Tourism, and Economic Development

Review and Discussion of Fiscal Year 2026-2027 Budget Issues Relating to:

- Department of Transportation
- Division of Emergency Management

1:30PM

H Economic Infrastructure Subcommittee

HB 1217 – Prohibited Governmental Policies Regulating Greenhouse Gas Emissions by Snyder

HB 1451 – Utility Services by Busatta

HB 1233 – Transportation by Griffitts Jr.

H Agriculture & Natural Resources Budget Subcommittee

HB 433 – Department of Agriculture and Consumer Services by Alvarez, D.

3:45PM

S Appropriations Committee on Agriculture, Environment, and General Government

Review and Discussion of Fiscal Year 2026-2027 Budget Issues Relating to:

- Department of Environmental Protection

SB 302 – Nature-based Solutions for Improving Coastal Resilience by Garcia

SB 636 – Beach Management by Leek

SB 1120 – Water Management Districts by Brodeur

4:00PM

H Session

Special Orders

HB 967 – Electronic Payments Made to Units of Local Governments by Buchanan

Thursday, February 5, 2026

9:00AM

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S Appropriations

SB 110 – Homestead Exemptions by Arrington

SB 434 – Assessment of Property Used for Residential Purposes by Leek

S Fiscal Policy

SB 382 – Electric Bicycles by Truenow

FUNDING SOURCE: N/A

RECOMMENDED ACTION: Discussion and direction.

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