

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT**

LS 6695
BILL NUMBER: HB 1150

NOTE PREPARED: Feb 12, 2026
BILL AMENDED: Feb 9, 2026

SUBJECT: Local Regulation.

FIRST AUTHOR: Rep. Pressel
FIRST SPONSOR: Sen. Freeman

BILL STATUS: As Passed Senate

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: *Motor Vehicles and Equipment by Fuel Source* - The bill provides that a homeowners association's governing documents may not include a covenant, policy, or similar measure that: (1) prohibits or restricts the use of; (2) distinguishes between types of; or (3) results in differing standards for different types of; motor vehicles or outdoor equipment based on the fuel source that powers the motor vehicle or outdoor equipment. It also prohibits a county, municipality, or township from adopting or enforcing an ordinance, order, regulation, resolution, policy, or similar measure that: (1) prohibits or restricts the use, sale, or lease of; (2) distinguishes between types of; or (3) results in differing regulatory standards for different types of; motor vehicles or machines other than vehicles, including outdoor equipment, based on the fuel source that powers the motor vehicle or machine.

HOA Prohibitions - The bill provides that a homeowners association's (HOA) governing documents may not include a covenant, policy, or similar measure that prohibits the display of an American flag. The bill also prohibits an HOA from installing, maintaining, or operating an automated license plate reader (ALPR), and prohibits a homeowners association from permitting the installation, maintenance, or operation of an ALPR on the property of the homeowners association unless the ALPR is installed by a law enforcement agency and only the law enforcement agency has access to the ALPR data.

Utility Usage Data Ordinance: The bill prohibits a county or municipality from adopting or enforcing a utility usage data ordinance.

Airspace Overlay Zoning Ordinances - This bill requires political subdivisions located within five miles of the end of a runway of a publicly owned, public use airport to adopt an airspace overlay zoning ordinance.

Effective Date: Upon passage; July 1, 2026.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: The bill would increase local workload to adopt airspace overlay zoning ordinances to the extent a local unit has not done so. Increases in workload are expected to be minimal.

Additionally, the bill's provisions may increase the administrative workload for counties, municipalities, and political subdivisions to ensure their ordinances are compliant with the bill.

The bill prohibits local units from enforcing provisions of a utility usage data ordinance. The bill could also decrease local workload to enforce the reporting requirements for utility usage.

Explanation of Local Revenues: The bill could decrease local revenue from ordinance violations for failure to report utility usage data.

State Agencies Affected:

Local Agencies Affected: All.

Information Sources:

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