



# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature  
Second Regular Session

**HB 2598: transportation tax; election; Maricopa county.**

**Sponsor: Representative Carroll, LD 22**

**Committee on Transportation**

## **Overview**

Requires Maricopa County, beginning on January 1, 2026, if approved by qualified electors voting in a county wide election, to levy and the Arizona Department of Transportation (ADOT) to collect a transportation tax. Additionally, if approved by the voters, establishes a transportation excise tax plan (Plan).

## **History**

In 2004, Maricopa County voters approved a countywide transportation tax levied at a rate up to 10% of the state transaction privilege tax (one-half cent transaction tax). Revenues from the half cent transportation tax are deposited into the Regional Area Road Fund (RARF). Laws 2003, Chapter 217 established the Regional Planning Agency Transportation Policy Committee (TPC) which is tasked with the approval of a 20-year comprehensive, performance based, multimodal and coordinated regional transportation plan in Maricopa County.

The Maricopa Association of Governments (MAG) is a Council of governments that serves as the regional planning and policy agency for the metropolitan Phoenix area. Monies collected from the voter- approved transportation taxes are deposited into MAG's RARF to be used by MAG for maintenance and capital expenses of freeways and the state highway system. (A.R.S. § 42-6106).

## **Provisions**

1. Modifies population requirements for highly populated counties from 1,200,000 to 3,000,000 or more. (Sec. 3)
2. Requires ADOT to separately account for the uses of the transportation tax revenues deposited in the bond account and construction account to identify how the revenues are used. (Sec. 4)
3. Adds two additional seats to the Transportation Policy Committee (TPC) representing unincorporated areas of Maricopa County. One seat is appointed by the President of the Senate and one by the Speaker of the House. (Sec. 9)
4. Requires the regional planning agency to develop and adopt the multimodal regional strategic transportation infrastructure investment plan in cooperation with state and local public transportation authorities and in coordination with ADOT. (Sec. 4)
5. Requires the TPC to recommend approval, disapproval or modification of:
  - a) The Plan;
  - b) Changes to transportation tax revenues;
  - c) Budget processes; and
  - d) Funding awarded through the regional programs process. (Sec.9)

☐ Prop 105 (45 votes)

☐ Prop 108 (40 votes)

☒ Emergency (40 votes)

☐ Fiscal Note

6. Allows the Auditor General to conduct a performance audit themselves or contract with an outside firm. (Sec.11)
7. Requires MAG to develop and adopt the Plan which and to allocate revenues in the:
  - a) RARF for freeways and other routes in the state highway system;
  - b) RARF for major arterial streets and regional programs; and
  - c) Public Transportation Fund for capital costs, maintenance and operation of public transportation mode classifications and utility relocation costs associated with the light rail system. (Sec. 15)
8. Requires the major investment change process to include:
  - a) Consideration by the TPC;
  - b) Identification of the projects and programs that would be impacted by the funding transfer;
  - c) A detailed performance-based assessment of the impacted projects and programs which must support the proposed major investment change and seek, consider and document public input on the proposed major investment change;
  - d) A 180-day public comment period; and
  - e) The submission of the proposed major investment change for review by the regional public transportation authority, the state board of transportation and the county Board of Supervisors (BOS). (Sec. 15)
9. Allows up to 2.5% of collected transportation tax revenues to be transferred annually without going through the major investment change process. (Sec. 15)
10. Allows a municipality that pays for public transportation service in an adjacent municipality or unincorporated area to be eligible for reimbursement from monies collected under the transportation tax. (Sec.15)
11. Requires the transportation excise tax to be levied and collected:
  - a) At a rate of up to 10% of the state transaction privilege tax (TPT) rate on January 1, 2026;
  - b) At a rate of up to 10% of the jet fuel excise tax rate; and
  - c) On the use or consumption of electricity or natural gas by customers in the county who are subject to use tax at a rate equal to the state TPT rate that applies to customers engaging in the county in the utilities TPT classification. (Sec. 22)
12. Requires the Plan to distribute at least:
  - a) 52.5% of the annual transportation tax revenues to the RARF; and
  - b) 32.5% of the annual revenues to the Public Transportation Fund. (Sec. 22)
13. Allows up to 14% of the revenues collected be spent on light rail systems. (Sec. 22)
14. Requires the levied tax to be in effect for 25 years. (Sec. 22)
15. Describes processes for the county to call a countywide election for the extension and levy of a county transportation excise tax. (Sec. 27)
16. Contains an emergency clause. (Sec. 29)
17. Makes technical changes. (Sec. 1,2,5,6,11,16,22)
18. Makes conforming changes. (Sec. 1,2,5,6,7,11,12,13,16,19,20,21,22,25)