

REFERENCE TITLE: rates; fees; taxes; increase; moratorium

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HB 4030

Introduced by
Representative Olson

AN ACT

AMENDING TITLE 9, CHAPTER 4, ARTICLE 8, ARIZONA REVISED STATUTES, BY ADDING SECTION 9-500.54; REPEALING SECTION 9-500.54, ARIZONA REVISED STATUTES; AMENDING TITLE 11, CHAPTER 2, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 11-269.31; REPEALING SECTION 11-269.31. ARIZONA REVISED STATUTES; RELATING TO MUNICIPAL AND COUNTY FEES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 9, chapter 4, article 8, Arizona Revised Statutes,
3 is amended by adding section 9-500.54, to read:

4 9-500.54. Municipal fees; taxes; utility rates; increase;
5 moratorium; applicability; enforcement;
6 definitions

7 A. NOTWITHSTANDING ANY OTHER LAW, ORDINANCE, CHARTER PROVISION OR
8 RESOLUTION, BEGINNING JULY 1, 2026 THROUGH JUNE 30, 2030, A MUNICIPALITY
9 MAY NOT ADOPT, IMPOSE OR COLLECT ANY OF THE FOLLOWING:

10 1. A FEE THAT IS IN AN AMOUNT GREATER THAN THE AMOUNT THAT IS
11 AUTHORIZED IN THE FEE SCHEDULE THAT HAS BEEN ADOPTED BY THE MUNICIPALITY
12 AS PART OF THE MUNICIPALITY'S 2025-2026 FISCAL YEAR BUDGET, INCLUDING ANY
13 FEE SCHEDULE THAT IS ADOPTED BY AN ORDINANCE OR RESOLUTION OR THAT IS
14 INCORPORATED BY REFERENCE.

15 2. ANY TRANSACTION PRIVILEGE TAX OR SURCHARGE INCREASE BEYOND THE
16 RATE THAT IS IN EFFECT ON JUNE 30, 2026.

17 3. A RATE THAT IS IMPOSED FOR UTILITY SERVICE PROVIDED BY THE
18 MUNICIPALITY AND THAT IS GREATER THAN THE UTILITY RATE THAT IS AUTHORIZED
19 AS PART OF THE MUNICIPALITY'S 2025-2026 FISCAL YEAR BUDGET OR UTILITY RATE
20 SCHEDULE.

21 B. NOTWITHSTANDING ANY OTHER LAW, ORDINANCE, CHARTER PROVISION OR
22 RESOLUTION, BEGINNING JULY 1, 2026 THROUGH JUNE 30, 2030, A MUNICIPALITY
23 MAY NOT ADOPT OR IMPOSE A NEW TAX CLASSIFICATION OR EXPAND THE TAX BASE TO
24 ADDITIONAL TAXPAYERS.

25 C. IF A MUNICIPALITY HAS NOT ADOPTED A CONSOLIDATED OR
26 COMPREHENSIVE FEE, TAX OR UTILITY RATE SCHEDULE AS PART OF THE
27 MUNICIPALITY'S 2025-2026 FISCAL YEAR BUDGET, THE APPLICABLE FEE, TAX OR
28 UTILITY RATE, FOR THE PURPOSES OF THE FEE, TAX OR UTILITY RATE LIMITS
29 PRESCRIBED IN SUBSECTION A OF THIS SECTION, SHALL BE THE HIGHEST FEE, TAX
30 OR UTILITY RATE THAT IS IMPOSED BY THE MUNICIPALITY AT ANY TIME DURING THE
31 2025-2026 FISCAL YEAR.

32 D. A MUNICIPALITY MAY NOT CIRCUMVENT THIS SECTION BY DOING ANY OF
33 THE FOLLOWING:

34 1. RENAMING, RECLASSIFYING OR RESTRUCTURING A FEE, TAX OR UTILITY
35 RATE.

36 2. ALTERING METHODOLOGIES, ASSUMPTIONS, SERVICE AREAS, CUSTOMER
37 CLASSES OR COST-ALLOCATION PRACTICES.

38 3. IMPOSING A NEW CHARGE THAT IS SUBSTANTIALLY SIMILAR IN EFFECT TO
39 AN INCREASE IN A FEE, TAX OR UTILITY RATE THAT IS PROHIBITED BY THIS
40 SECTION.

41 4. ADOPTING OR AMENDING A FEE, TAX OR UTILITY RATE SCHEDULE DURING
42 THE 2025-2026 FISCAL YEAR FOR THE PRIMARY PURPOSE OF AVOIDING THE
43 APPLICATION OF THIS SECTION.

1 E. THIS SECTION APPLIES TO ALL MUNICIPAL FEES, TAXES AND UTILITY
2 RATES, REGARDLESS OF THE NAME OR TITLE, THAT ARE IMPOSED AS A CONDITION OF
3 ANY OF THE FOLLOWING:

- 4 1. CONDUCTING A TAXABLE TRANSACTION.
- 5 2. RECEIVING A GOVERNMENTAL SERVICE.
- 6 3. OBTAINING A PERMIT, LICENSE, APPROVAL OR INSPECTION.
- 7 4. CONNECTING TO OR RECEIVING MUNICIPALLY PROVIDED UTILITY SERVICE.
- 8 5. DEVELOPMENT, CONSTRUCTION, OCCUPANCY, OPERATION OR CHANGE IN
9 USE.

10 F. THIS SECTION DOES NOT APPLY TO AN INCREASE IN A MUNICIPAL TAX IF
11 ALL OF THE FOLLOWING APPLY:

- 12 1. THE TAX INCREASE IS APPROVED BY THE QUALIFIED ELECTORS OF THE
13 MUNICIPALITY.
- 14 2. AT LEAST SIXTY PERCENT OF THE VOTES CAST AT THE ELECTION ARE
15 CAST IN FAVOR OF THE MEASURE.
- 16 3. THE ELECTION IS HELD ON A CONSOLIDATED ELECTION DATE IN AN
17 EVEN-NUMBERED YEAR PURSUANT TO SECTION 16-204.

18 G. THIS SECTION DOES NOT PROHIBIT ANY OF THE FOLLOWING:

- 19 1. THE EXPIRATION, REDUCTION OR ELIMINATION OF A FEE, TAX OR
20 UTILITY RATE.
- 21 2. THE COLLECTION OF A FEE, TAX OR UTILITY RATE THAT IS AT OR BELOW
22 THE AMOUNT THAT IS AUTHORIZED PURSUANT TO SUBSECTIONS A AND C OF THIS
23 SECTION.
- 24 3. AN INCREASE IN TOTAL REVENUE THAT RESULTS SOLELY FROM AN
25 INCREASE IN SERVICE DEMAND, USAGE OR GROWTH IN THE TAX BASE.

26 H. A FEE, TAX OR UTILITY RATE ADOPTED, IMPOSED OR COLLECTED THAT IS
27 IN VIOLATION OF THIS SECTION IS VOID. A MUNICIPALITY THAT ADOPTS, IMPOSES
28 OR COLLECTS A FEE, TAX OR UTILITY RATE THAT IS IN VIOLATION OF THIS
29 SECTION IS SUBJECT TO ENFORCEMENT PURSUANT TO SECTION 41-194.01.

30 I. A TAXPAYER, RESIDENT, BUSINESS OR PROPERTY OWNER THAT IS
31 AGGRIEVED BY A VIOLATION OF THIS SECTION MAY BRING AN ACTION FOR
32 DECLARATORY OR INJUNCTIVE RELIEF IN A COURT OF COMPETENT JURISDICTION.
33 THE COURT MAY AWARD REASONABLE ATTORNEY FEES AND COSTS TO A PREVAILING
34 PLAINTIFF.

35 J. FOR THE PURPOSES OF THIS SECTION:

- 36 1. "FEE" MEANS ANY CHARGE IMPOSED BY A MUNICIPALITY THAT IS NOT A
37 TAX OR UTILITY RATE, REGARDLESS OF THE NAME OR TITLE.
- 38 2. "UTILITY SERVICE":
 - 39 (a) MEANS MUNICIPALLY PROVIDED UTILITY SERVICES.
 - 40 (b) INCLUDES WATER, WASTEWATER, STORMWATER, SOLID WASTE, ELECTRIC,
41 GAS OR SIMILAR SERVICES.

42 Sec. 2. Delayed repeal

43 Section 9-500.54, Arizona Revised Statutes, as added by this act, is
44 repealed from and after June 30, 2030.

1 Sec. 3. Title 11, chapter 2, article 4, Arizona Revised Statutes,
2 is amended by adding section 11-269.31, to read:

3 11-269.31. County fees; taxes; utility rates; increase;
4 moratorium; applicability; enforcement;
5 definitions

6 A. NOTWITHSTANDING ANY OTHER LAW, ORDINANCE, CHARTER PROVISION OR
7 RESOLUTION, BEGINNING JULY 1, 2026 THROUGH JUNE 30, 2030, A COUNTY MAY NOT
8 ADOPT, IMPOSE OR COLLECT ANY OF THE FOLLOWING:

9 1. A FEE THAT IS IN AN AMOUNT GREATER THAN THE AMOUNT THAT IS
10 AUTHORIZED IN THE FEE SCHEDULE THAT HAS BEEN ADOPTED BY THE COUNTY AS PART
11 OF THE COUNTY'S 2025-2026 FISCAL YEAR BUDGET, INCLUDING ANY FEE SCHEDULE
12 THAT IS ADOPTED BY AN ORDINANCE OR RESOLUTION OR THAT IS INCORPORATED BY
13 REFERENCE.

14 2. ANY TRANSACTION PRIVILEGE TAX OR SURCHARGE INCREASE BEYOND THE
15 RATE THAT IS IN EFFECT ON JUNE 30, 2026.

16 3. A RATE THAT IS IMPOSED FOR UTILITY SERVICE PROVIDED BY THE
17 COUNTY AND THAT IS GREATER THAN THE UTILITY RATE THAT IS AUTHORIZED AS
18 PART OF THE COUNTY'S 2025-2026 FISCAL YEAR BUDGET OR UTILITY RATE
19 SCHEDULE.

20 B. NOTWITHSTANDING ANY OTHER LAW, ORDINANCE, CHARTER PROVISION OR
21 RESOLUTION, BEGINNING JULY 1, 2026 THROUGH JUNE 30, 2030, A COUNTY MAY NOT
22 ADOPT OR IMPOSE A NEW TAX CLASSIFICATION OR EXPAND THE TAX BASE TO
23 ADDITIONAL TAXPAYERS.

24 C. IF A COUNTY HAS NOT ADOPTED A CONSOLIDATED OR COMPREHENSIVE FEE,
25 TAX OR UTILITY RATE SCHEDULE AS PART OF THE COUNTY'S 2025-2026 FISCAL YEAR
26 BUDGET, THE APPLICABLE FEE, TAX OR UTILITY RATE, FOR THE PURPOSES OF THE
27 FEE, TAX OR UTILITY RATE LIMITS PRESCRIBED IN SUBSECTION A OF THIS
28 SECTION, SHALL BE THE HIGHEST FEE, TAX OR UTILITY RATE THAT IS IMPOSED BY
29 THE COUNTY AT ANY TIME DURING THE 2025-2026 FISCAL YEAR.

30 D. A COUNTY MAY NOT CIRCUMVENT THIS SECTION BY DOING ANY OF THE
31 FOLLOWING:

32 1. RENAMING, RECLASSIFYING OR RESTRUCTURING A FEE, TAX OR UTILITY
33 RATE.

34 2. ALTERING METHODOLOGIES, ASSUMPTIONS, SERVICE AREAS, CUSTOMER
35 CLASSES OR COST-ALLOCATION PRACTICES.

36 3. IMPOSING A NEW CHARGE THAT IS SUBSTANTIALLY SIMILAR IN EFFECT TO
37 AN INCREASE IN A FEE, TAX OR UTILITY RATE THAT IS PROHIBITED BY THIS
38 SECTION.

39 4. ADOPTING OR AMENDING A FEE, TAX OR UTILITY RATE SCHEDULE DURING
40 THE 2025-2026 FISCAL YEAR FOR THE PRIMARY PURPOSE OF AVOIDING THE
41 APPLICATION OF THIS SECTION.

42 E. THIS SECTION APPLIES TO ALL COUNTY FEES, TAXES AND UTILITY
43 RATES, REGARDLESS OF THE NAME OR TITLE, THAT ARE IMPOSED AS A CONDITION OF
44 ANY OF THE FOLLOWING:

45 1. CONDUCTING A TAXABLE TRANSACTION.

1 2. RECEIVING A GOVERNMENTAL SERVICE.
2 3. OBTAINING A PERMIT, LICENSE, APPROVAL OR INSPECTION.
3 4. CONNECTING TO OR RECEIVING COUNTY-PROVIDED UTILITY SERVICE.
4 5. DEVELOPMENT, CONSTRUCTION, OCCUPANCY, OPERATION OR CHANGE IN
5 USE.
6 F. THIS SECTION DOES NOT APPLY TO AN INCREASE IN A COUNTY TAX IF
7 ALL OF THE FOLLOWING APPLY:
8 1. THE TAX INCREASE IS APPROVED BY THE QUALIFIED ELECTORS OF THE
9 COUNTY.
10 2. AT LEAST SIXTY PERCENT OF THE VOTES CAST AT THE ELECTION ARE
11 CAST IN FAVOR OF THE MEASURE.
12 3. THE ELECTION IS HELD ON A CONSOLIDATED ELECTION DATE IN AN
13 EVEN-NUMBERED YEAR PURSUANT TO SECTION 16-204.
14 G. THIS SECTION DOES NOT PROHIBIT ANY OF THE FOLLOWING:
15 1. THE EXPIRATION, REDUCTION OR ELIMINATION OF A FEE, TAX OR
16 UTILITY RATE.
17 2. THE COLLECTION OF A FEE, TAX OR UTILITY RATE THAT IS AT OR BELOW
18 THE AMOUNT THAT IS AUTHORIZED PURSUANT TO SUBSECTIONS A AND C OF THIS
19 SECTION.
20 3. AN INCREASE IN TOTAL REVENUE THAT RESULTS SOLELY FROM AN
21 INCREASE IN SERVICE DEMAND, USAGE OR GROWTH IN THE TAX BASE.
22 H. A FEE, TAX OR UTILITY RATE ADOPTED, IMPOSED OR COLLECTED THAT IS
23 IN VIOLATION OF THIS SECTION IS VOID. A COUNTY THAT ADOPTS, IMPOSES OR
24 COLLECTS A FEE, TAX OR UTILITY RATE THAT IS IN VIOLATION OF THIS SECTION
25 IS SUBJECT TO ENFORCEMENT PURSUANT TO SECTION 41-194.01.
26 I. A TAXPAYER, RESIDENT BUSINESS OR PROPERTY OWNER THAT IS
27 AGGRIEVED BY A VIOLATION OF THIS SECTION MAY BRING AN ACTION FOR
28 DECLARATORY OR INJUNCTIVE RELIEF IN A COURT OF COMPETENT JURISDICTION.
29 THE COURT MAY AWARD REASONABLE ATTORNEY FEES AND COSTS TO A PREVAILING
30 PLAINTIFF.
31 J. FOR THE PURPOSES OF THIS SECTION:
32 1. "FEE" MEANS ANY CHARGE IMPOSED BY A COUNTY THAT IS NOT A TAX OR
33 UTILITY RATE, REGARDLESS OF THE NAME OR TITLE.
34 2. "UTILITY SERVICE":
35 (a) MEANS COUNTY-PROVIDED UTILITY SERVICES.
36 (b) INCLUDES WATER, WASTEWATER, STORMWATER, SOLID WASTE, ELECTRIC,
37 GAS OR SIMILAR SERVICES.
38 Sec. 4. Delayed repeal
39 Section 11-269.31, Arizona Revised Statutes, as added by this act,
40 is repealed from and after June 30, 2030.
41 Sec. 5. Severability
42 If a provision of this act or its application to any person or
43 circumstance is held invalid, the invalidity does not affect other
44 provisions or applications of the act that can be given effect without the

1 invalid provision or application, and to this end the provisions of this
2 act are severable.

3 Sec. 6. Legislative findings and intent

4 A. The legislature finds that:

5 1. Arizona residents and businesses continue to experience elevated
6 inflation and rising costs, including housing, utilities, construction,
7 labor and essential services, placing increased pressure on household
8 budgets and economic activity.

9 2. Local government taxes, fees and utility rates materially affect
10 affordability, business formation, housing development and the overall
11 cost of living throughout this state.

12 3. Municipalities and counties regularly adopt annual budgets, tax
13 rates and fee and utility rate schedules, which reflect policy judgments
14 about reasonable and necessary charges for services at a given point in
15 time.

16 4. Advancements in technology, including artificial intelligence
17 and automation, present unprecedented opportunities for local governments
18 to streamline operations, improve service delivery, increase productivity,
19 and reduce the need for ongoing growth in full-time staffing levels.

20 5. This state has recognized the importance of operational
21 efficiency, including through executive initiatives such as the Arizona
22 capacity and efficiency initiative, which emphasizes identifying
23 efficiencies, modernizing operations and improving government performance,
24 recognizing potentially hundreds of millions of dollars in cost savings
25 that should be passed on to taxpayers.

26 6. Temporary restraint on local fee, tax and utility rate increases
27 encourages local governments to prioritize efficiency, innovation and
28 responsible fiscal management, while preserving the ability to meet
29 service demands through improved processes and increased service volume.

30 7. Local governments retain discretion to manage expenditures,
31 staffing, service levels and capital planning within existing fee, tax and
32 utility rate structures during the moratorium period.

33 B. It is the intent of the legislature to:

34 1. Provide temporary relief to residents and businesses by
35 stabilizing locally imposed fees, taxes and utility rates during a period
36 of elevated inflation and economic uncertainty.

37 2. Encourage local governments to pursue efficiencies and
38 modernization before increasing costs borne by residents and businesses.

39 3. Preserve predictability and transparency in local government
40 fee, tax and rate structures by anchoring charges to duly adopted budgets
41 and schedules.

42 4. Respect constitutional limitations, existing contractual
43 obligations and voter-approved authorities, while promoting affordability
44 and economic stability statewide.