

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

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

HCR 2052

Introduced by
Representative Olson

A CONCURRENT RESOLUTION

ENACTING AND ORDERING THE SUBMISSION TO THE PEOPLE OF A MEASURE RELATING
TO MUNICIPAL AND COUNTY FEES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it resolved by the House of Representatives of the State of Arizona,
2 the Senate concurring:

3 1. Under the power of the referendum, as vested in the Legislature,
4 the following measure, relating to municipal and county fees, is enacted
5 to become valid as a law if approved by the voters and on proclamation of
6 the Governor:

7 AN ACT

8 AMENDING TITLE 9, CHAPTER 4, ARTICLE 8, ARIZONA REVISED
9 STATUTES, BY ADDING SECTION 9-500.54; REPEALING SECTION
10 9-500.54, ARIZONA REVISED STATUTES; AMENDING TITLE 11, CHAPTER
11 2, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION
12 11-269.31; REPEALING SECTION 11-269.31, ARIZONA REVISED
13 STATUTES; RELATING TO MUNICIPAL AND COUNTY FEES.

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

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

18 9-500.54. Municipal fees; taxes; utility rates;
19 increase; moratorium; applicability;
20 enforcement; definitions

21 A. NOTWITHSTANDING ANY OTHER LAW, ORDINANCE, CHARTER
22 PROVISION OR RESOLUTION, BEGINNING JULY 1, 2026 THROUGH JUNE
23 30, 2030, A MUNICIPALITY MAY NOT ADOPT, IMPOSE OR COLLECT ANY
24 OF THE FOLLOWING:

25 1. A FEE THAT IS IN AN AMOUNT GREATER THAN THE AMOUNT
26 THAT IS AUTHORIZED IN THE FEE SCHEDULE THAT HAS BEEN ADOPTED
27 BY THE MUNICIPALITY AS PART OF THE MUNICIPALITY'S 2025-2026
28 FISCAL YEAR BUDGET, INCLUDING ANY FEE SCHEDULE THAT IS ADOPTED
29 BY AN ORDINANCE OR RESOLUTION OR THAT IS INCORPORATED BY
30 REFERENCE.

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

33 3. A RATE THAT IS IMPOSED FOR UTILITY SERVICE PROVIDED
34 BY THE MUNICIPALITY AND THAT IS GREATER THAN THE UTILITY RATE
35 THAT IS AUTHORIZED AS PART OF THE MUNICIPALITY'S 2025-2026
36 FISCAL YEAR BUDGET OR UTILITY RATE SCHEDULE.

37 B. NOTWITHSTANDING ANY OTHER LAW, ORDINANCE, CHARTER
38 PROVISION OR RESOLUTION, BEGINNING JULY 1, 2026 THROUGH JUNE
39 30, 2030, A MUNICIPALITY MAY NOT ADOPT OR IMPOSE A NEW TAX
40 CLASSIFICATION OR EXPAND THE TAX BASE TO ADDITIONAL TAXPAYERS.

41 C. IF A MUNICIPALITY HAS NOT ADOPTED A CONSOLIDATED OR
42 COMPREHENSIVE FEE, TAX OR UTILITY RATE SCHEDULE AS PART OF THE
43 MUNICIPALITY'S 2025-2026 FISCAL YEAR BUDGET, THE APPLICABLE
44 FEE, TAX OR UTILITY RATE, FOR THE PURPOSES OF THE FEE, TAX OR
45 UTILITY RATE LIMITS PRESCRIBED IN SUBSECTION A OF THIS

1 SECTION, SHALL BE THE HIGHEST FEE, TAX OR UTILITY RATE THAT IS
2 IMPOSED BY THE MUNICIPALITY AT ANY TIME DURING THE 2025-2026
3 FISCAL YEAR.

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

6 1. RENAMING, RECLASSIFYING OR RESTRUCTURING A FEE, TAX
7 OR UTILITY RATE.

8 2. ALTERING METHODOLOGIES, ASSUMPTIONS, SERVICE AREAS,
9 CUSTOMER CLASSES OR COST-ALLOCATION PRACTICES.

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

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

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

19 1. CONDUCTING A TAXABLE TRANSACTION.

20 2. RECEIVING A GOVERNMENTAL SERVICE.

21 3. OBTAINING A PERMIT, LICENSE, APPROVAL OR INSPECTION.

22 4. CONNECTING TO OR RECEIVING MUNICIPALLY PROVIDED
23 UTILITY SERVICE.

24 5. DEVELOPMENT, CONSTRUCTION, OCCUPANCY, OPERATION OR
25 CHANGE IN USE.

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

28 1. THE TAX INCREASE IS APPROVED BY THE QUALIFIED
29 ELECTORS OF THE MUNICIPALITY.

30 2. AT LEAST SIXTY PERCENT OF THE VOTES CAST AT THE
31 ELECTION ARE CAST IN FAVOR OF THE MEASURE.

32 3. THE ELECTION IS HELD ON A CONSOLIDATED ELECTION DATE
33 IN AN EVEN-NUMBERED YEAR PURSUANT TO SECTION 16-204.

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

35 1. THE EXPIRATION, REDUCTION OR ELIMINATION OF A FEE,
36 TAX OR UTILITY RATE.

37 2. THE COLLECTION OF A FEE, TAX OR UTILITY RATE THAT IS
38 AT OR BELOW THE AMOUNT THAT IS AUTHORIZED PURSUANT TO
39 SUBSECTIONS A AND C OF THIS SECTION.

40 3. AN INCREASE IN TOTAL REVENUE THAT RESULTS SOLELY
41 FROM AN INCREASE IN SERVICE DEMAND, USAGE OR GROWTH IN THE TAX
42 BASE.

43 H. A FEE, TAX OR UTILITY RATE ADOPTED, IMPOSED OR
44 COLLECTED THAT IS IN VIOLATION OF THIS SECTION IS VOID. A
45 MUNICIPALITY THAT ADOPTS, IMPOSES OR COLLECTS A FEE, TAX OR

1 UTILITY RATE THAT IS IN VIOLATION OF THIS SECTION IS SUBJECT
2 TO ENFORCEMENT PURSUANT TO SECTION 41-194.01.

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

8 J. FOR THE PURPOSES OF THIS SECTION:

9 1. "FEE" MEANS ANY CHARGE IMPOSED BY A MUNICIPALITY
10 THAT IS NOT A TAX OR UTILITY RATE, REGARDLESS OF THE NAME OR
11 TITLE.

12 2. "UTILITY SERVICE":

13 (a) MEANS MUNICIPALLY PROVIDED UTILITY SERVICES.

14 (b) INCLUDES WATER, WASTEWATER, STORMWATER, SOLID
15 WASTE, ELECTRIC, GAS OR SIMILAR SERVICES.

16 Sec. 2. Delayed repeal

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

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

21 11-269.31. County fees; taxes; utility rates; increase;
22 moratorium; applicability; enforcement;
23 definitions

24 A. NOTWITHSTANDING ANY OTHER LAW, ORDINANCE, CHARTER
25 PROVISION OR RESOLUTION, BEGINNING JULY 1, 2026 THROUGH JUNE
26 30, 2030, A COUNTY MAY NOT ADOPT, IMPOSE OR COLLECT ANY OF THE
27 FOLLOWING:

28 1. A FEE THAT IS IN AN AMOUNT GREATER THAN THE AMOUNT
29 THAT IS AUTHORIZED IN THE FEE SCHEDULE THAT HAS BEEN ADOPTED
30 BY THE COUNTY AS PART OF THE COUNTY'S 2025-2026 FISCAL YEAR
31 BUDGET, INCLUDING ANY FEE SCHEDULE THAT IS ADOPTED BY AN
32 ORDINANCE OR RESOLUTION OR THAT IS INCORPORATED BY REFERENCE.

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

35 3. A RATE THAT IS IMPOSED FOR UTILITY SERVICE PROVIDED
36 BY THE COUNTY AND THAT IS GREATER THAN THE UTILITY RATE THAT
37 IS AUTHORIZED AS PART OF THE COUNTY'S 2025-2026 FISCAL YEAR
38 BUDGET OR UTILITY RATE SCHEDULE.

39 B. NOTWITHSTANDING ANY OTHER LAW, ORDINANCE, CHARTER
40 PROVISION OR RESOLUTION, BEGINNING JULY 1, 2026 THROUGH JUNE
41 30, 2030, A COUNTY MAY NOT ADOPT OR IMPOSE A NEW TAX
42 CLASSIFICATION OR EXPAND THE TAX BASE TO ADDITIONAL TAXPAYERS.

43 C. IF A COUNTY HAS NOT ADOPTED A CONSOLIDATED OR
44 COMPREHENSIVE FEE, TAX OR UTILITY RATE SCHEDULE AS PART OF THE
45 COUNTY'S 2025-2026 FISCAL YEAR BUDGET, THE APPLICABLE FEE, TAX

1 OR UTILITY RATE, FOR THE PURPOSES OF THE FEE, TAX OR UTILITY
2 RATE LIMITS PRESCRIBED IN SUBSECTION A OF THIS SECTION, SHALL
3 BE THE HIGHEST FEE, TAX OR UTILITY RATE THAT IS IMPOSED BY THE
4 COUNTY AT ANY TIME DURING THE 2025-2026 FISCAL YEAR.

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

7 1. RENAMING, RECLASSIFYING OR RESTRUCTURING A FEE, TAX
8 OR UTILITY RATE.

9 2. ALTERING METHODOLOGIES, ASSUMPTIONS, SERVICE AREAS,
10 CUSTOMER CLASSES OR COST-ALLOCATION PRACTICES.

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

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

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

20 1. CONDUCTING A TAXABLE TRANSACTION.

21 2. RECEIVING A GOVERNMENTAL SERVICE.

22 3. OBTAINING A PERMIT, LICENSE, APPROVAL OR INSPECTION.

23 4. CONNECTING TO OR RECEIVING COUNTY-PROVIDED UTILITY
24 SERVICE.

25 5. DEVELOPMENT, CONSTRUCTION, OCCUPANCY, OPERATION OR
26 CHANGE IN USE.

27 F. THIS SECTION DOES NOT APPLY TO AN INCREASE IN A
28 COUNTY TAX IF ALL OF THE FOLLOWING APPLY:

29 1. THE TAX INCREASE IS APPROVED BY THE QUALIFIED
30 ELECTORS OF THE COUNTY.

31 2. AT LEAST SIXTY PERCENT OF THE VOTES CAST AT THE
32 ELECTION ARE CAST IN FAVOR OF THE MEASURE.

33 3. THE ELECTION IS HELD ON A CONSOLIDATED ELECTION DATE
34 IN AN EVEN-NUMBERED YEAR PURSUANT TO SECTION 16-204.

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

36 1. THE EXPIRATION, REDUCTION OR ELIMINATION OF A FEE,
37 TAX OR UTILITY RATE.

38 2. THE COLLECTION OF A FEE, TAX OR UTILITY RATE THAT IS
39 AT OR BELOW THE AMOUNT THAT IS AUTHORIZED PURSUANT TO
40 SUBSECTIONS A AND C OF THIS SECTION.

41 3. AN INCREASE IN TOTAL REVENUE THAT RESULTS SOLELY
42 FROM AN INCREASE IN SERVICE DEMAND, USAGE OR GROWTH IN THE TAX
43 BASE.

44 H. A FEE, TAX OR UTILITY RATE ADOPTED, IMPOSED OR
45 COLLECTED THAT IS IN VIOLATION OF THIS SECTION IS VOID. A

1 COUNTY THAT ADOPTS, IMPOSES OR COLLECTS A FEE, TAX OR UTILITY
2 RATE THAT IS IN VIOLATION OF THIS SECTION IS SUBJECT TO
3 ENFORCEMENT PURSUANT TO SECTION 41-194.01.

4 I. A TAXPAYER, RESIDENT BUSINESS OR PROPERTY OWNER WHO
5 IS AGGRIEVED BY A VIOLATION OF THIS SECTION MAY BRING AN
6 ACTION FOR DECLARATORY OR INJUNCTIVE RELIEF IN A COURT OF
7 COMPETENT JURISDICTION. THE COURT MAY AWARD REASONABLE
8 ATTORNEY FEES AND COSTS TO A PREVAILING PLAINTIFF.

9 J. FOR THE PURPOSES OF THIS SECTION:

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11 NOT A TAX OR UTILITY RATE, REGARDLESS OF THE NAME OR TITLE.

12 2. "UTILITY SERVICE":

13 (a) MEANS COUNTY-PROVIDED UTILITY SERVICES.

14 (b) INCLUDES WATER, WASTEWATER, STORMWATER, SOLID
15 WASTE, ELECTRIC, GAS OR SIMILAR SERVICES.

16 Sec. 4. Delayed repeal

17 Section 11-269.31, Arizona Revised Statutes, as added by
18 this act, is repealed from and after June 30, 2030.

19 Sec. 5. Severability

20 If a provision of this act or its application to any
21 person or circumstance is held invalid, the invalidity does
22 not affect other provisions or applications of the act that
23 can be given effect without the invalid provision or
24 application, and to this end the provisions of this act are
25 severable.

26 Sec. 6. Legislative findings and intent

27 A. The legislature finds that:

28 1. Arizona residents and businesses continue to
29 experience elevated inflation and rising costs, including
30 housing, utilities, construction, labor and essential
31 services, placing increased pressure on household budgets and
32 economic activity.

33 2. Local government taxes, fees and utility rates
34 materially affect affordability, business formation, housing
35 development and the overall cost of living throughout this
36 state.

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

41 4. Advancements in technology, including artificial
42 intelligence and automation, present unprecedented
43 opportunities for local governments to streamline operations,
44 improve service delivery, increase productivity, and reduce
45 the need for ongoing growth in full-time staffing levels.

1 5. This state has recognized the importance of
2 operational efficiency, including through executive
3 initiatives such as the Arizona capacity and efficiency
4 initiative, which emphasizes identifying efficiencies,
5 modernizing operations and improving government performance,
6 recognizing potentially hundreds of millions of dollars in
7 cost savings that should be passed on to taxpayers.

8 6. Temporary restraint on local fee, tax and utility
9 rate increases encourages local governments to prioritize
10 efficiency, innovation and responsible fiscal management,
11 while preserving the ability to meet service demands through
12 improved processes and increased service volume.

13 7. Local governments retain discretion to manage
14 expenditures, staffing, service levels and capital planning
15 within existing fee, tax and utility rate structures during
16 the moratorium period.

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

18 1. Provide temporary relief to residents and businesses
19 by stabilizing locally imposed fees, taxes and utility rates
20 during a period of elevated inflation and economic
21 uncertainty.

22 2. Encourage local governments to pursue efficiencies
23 and modernization before increasing costs borne by residents
24 and businesses.

25 3. Preserve predictability and transparency in local
26 government fee, tax and rate structures by anchoring charges
27 to duly adopted budgets and schedules.

28 4. Respect constitutional limitations, existing
29 contractual obligations and voter-approved authorities, while
30 promoting affordability and economic stability statewide.

31 Sec. 7. Short title

32 This act may be cited as the "Local Cost-of-Living
33 Protection Act".

34 2. The Secretary of State shall submit this proposition to the
35 voters at the next general election as provided by article IV, part 1,
36 section 1, Constitution of Arizona.