

REFERENCE TITLE: transportation tax; deposit; county board

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

HB 2106

Introduced by
Representative Martinez

AN ACT

AMENDING SECTION 42-6106, ARIZONA REVISED STATUTES; RELATING TO COUNTY
EXCISE TAXES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-6106, Arizona Revised Statutes, is amended to
3 read:

4 42-6106. County transportation excise tax

5 A. If approved by the qualified electors voting at a countywide
6 election, the regional transportation authority in any county shall levy
7 and the department shall collect a transportation excise tax up to the
8 rate authorized by this section in addition to all other taxes.

9 B. The tax shall be levied and collected:

10 1. At a rate that, by itself or together with any tax imposed
11 pursuant to section 42-6107, is not more than twenty percent of the
12 transaction privilege tax rate prescribed by section 42-5010, subsection A
13 in effect on January 1, 1990 to each person engaging or continuing in the
14 county in a business taxed under chapter 5, article 1 of this title.

15 2. At a rate that, by itself or together with any tax imposed
16 pursuant to section 42-6107, is not more than twenty percent of the rate
17 prescribed by section 42-5352, subsection A.

18 3. On the use or consumption of electricity or natural gas by
19 retail electric or natural gas customers in the county who are subject to
20 use tax under section 42-5155, at a rate equal to the transaction
21 privilege tax rate under paragraph 1 of this subsection applying to
22 persons engaging or continuing in the county in the utilities transaction
23 privilege tax classification.

24 C. Any subsequent reduction in the transaction privilege tax rate
25 prescribed by chapter 5, article 1 of this title shall not reduce the tax
26 that is approved and collected as prescribed in this section. The
27 department shall collect the tax at a variable rate if the variable rate
28 is specified in the ballot proposition. The department shall collect the
29 tax at a modified rate if approved by a majority of the qualified electors
30 voting.

31 D. The net revenues collected under this section:

32 1. In counties with a population ~~exceeding~~ **OF MORE THAN** four
33 hundred thousand persons, shall be deposited in the regional
34 transportation fund pursuant to section 48-5307.

35 2. In counties with a population of four hundred thousand or fewer
36 persons, shall be deposited in the public transportation authority fund
37 pursuant to section 28-9142 or the regional transportation fund pursuant
38 to section 48-5307 or shall be allocated between both funds.

39 E. The tax shall be levied under this section beginning January 1
40 or July 1, whichever date occurs first after approval by the voters, and
41 may be in effect for a period of not more than twenty years.

42 **F. NET REVENUES COLLECTED UNDER THIS SECTION, INCLUDING INTEREST**
43 **EARNED ON THOSE REVENUES, THAT ARE NOT DISTRIBUTED PURSUANT TO SUBSECTION**
44 **D OF THIS SECTION AND THAT ARE NOT REFUNDED PURSUANT TO SECTION 42-1118 ON**
45 **OR BEFORE APRIL 10, 2026 SHALL BE DISTRIBUTED AS FOLLOWS:**

1 1. FOR A COUNTY WITH A POPULATION OF MORE THAN FOUR HUNDRED
2 THOUSAND PERSONS THAT LEVIED AND COLLECTED THE TAX, TO THE DEPARTMENT OF
3 TRANSPORTATION FOR TRANSPORTATION PROJECTS IN THE COUNTY.

4 2. FOR A COUNTY WITH A POPULATION OF FOUR HUNDRED THOUSAND OR FEWER
5 PERSONS THAT LEVIED AND COLLECTED THE TAX, TO THE DEPARTMENT OF
6 TRANSPORTATION FOR TRANSPORTATION PROJECTS IN THE COUNTY.

7 Sec. 2. Emergency

8 This act is an emergency measure that is necessary to preserve the
9 public peace, health or safety and is operative immediately as provided by
10 law.