

House Engrossed

rates; fees; taxes; increases; moratorium

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

HOUSE CONCURRENT RESOLUTION 2052

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, EXCEPT THAT A
37 MUNICIPALITY THAT HAS NOT RAISED UTILITY RATES BY A CUMULATIVE
38 AMOUNT OF TWELVE PERCENT OR MORE IN THE PRECEDING FOUR FISCAL
39 YEARS MAY INCREASE UTILITY RATES BY AN AMOUNT THAT IS NOT MORE
40 THAN THE RATE OF INFLATION AS DETERMINED BY THE CONSUMER PRICE
41 INDEX AS PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR,
42 BUREAU OF LABOR STATISTICS.

43 B. NOTWITHSTANDING ANY OTHER LAW, ORDINANCE, CHARTER
44 PROVISION OR RESOLUTION, BEGINNING JULY 1, 2026 THROUGH JUNE

1 30, 2030, A MUNICIPALITY MAY NOT ADOPT OR IMPOSE A NEW TAX
2 CLASSIFICATION OR EXPAND THE TAX BASE TO ADDITIONAL TAXPAYERS.

3 C. IF A MUNICIPALITY HAS NOT ADOPTED A CONSOLIDATED OR
4 COMPREHENSIVE FEE, TAX OR UTILITY RATE SCHEDULE AS PART OF THE
5 MUNICIPALITY'S 2025-2026 FISCAL YEAR BUDGET, THE APPLICABLE
6 FEE, TAX OR UTILITY RATE, FOR THE PURPOSES OF THE FEE, TAX OR
7 UTILITY RATE LIMITS PRESCRIBED IN SUBSECTION A OF THIS
8 SECTION, SHALL BE THE HIGHEST FEE, TAX OR UTILITY RATE THAT IS
9 IMPOSED BY THE MUNICIPALITY AT ANY TIME DURING THE 2025-2026
10 FISCAL YEAR.

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

13 1. RENAMING, RECLASSIFYING OR RESTRUCTURING A FEE, TAX
14 OR UTILITY RATE.

15 2. ALTERING METHODOLOGIES, ASSUMPTIONS, SERVICE AREAS,
16 CUSTOMER CLASSES OR COST-ALLOCATION PRACTICES.

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

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

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

26 1. CONDUCTING A TAXABLE TRANSACTION.

27 2. RECEIVING A GOVERNMENTAL SERVICE.

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

29 4. CONNECTING TO OR RECEIVING MUNICIPALLY PROVIDED
30 UTILITY SERVICE.

31 5. DEVELOPMENT, CONSTRUCTION, OCCUPANCY, OPERATION OR
32 CHANGE IN USE.

33 F. THIS SECTION DOES NOT APPLY TO ANY OF THE FOLLOWING:

34 1. AN INCREASE IN A MUNICIPAL TAX IF ALL OF THE
35 FOLLOWING APPLY:

36 (a) THE TAX INCREASE IS APPROVED BY THE QUALIFIED
37 ELECTORS OF THE MUNICIPALITY.

38 (b) AT LEAST SIXTY PERCENT OF THE VOTES CAST AT THE
39 ELECTION ARE CAST IN FAVOR OF THE MEASURE.

40 (c) THE ELECTION IS HELD ON A CONSOLIDATED ELECTION
41 DATE IN AN EVEN-NUMBERED YEAR PURSUANT TO SECTION 16-204.

42 2. AD VALOREM TAXES OR SPECIAL ASSESSMENTS LEVIED TO
43 PAY THE PRINCIPAL OF AND THE INTEREST AND REDEMPTION CHARGES
44 ON BONDED INDEBTEDNESS OR OTHER LAWFUL LONG-TERM OBLIGATIONS
45 ISSUED OR INCURRED FOR A SPECIFIC PURPOSE.

1 3. AD VALOREM TAXES OR ASSESSMENTS LEVIED BY OR FOR
2 PROPERTY IMPROVEMENT ASSESSMENT DISTRICTS, IMPROVEMENT
3 DISTRICTS AND OTHER SPECIAL PURPOSE DISTRICTS OTHER THAN A
4 MUNICIPALITY OR COMMUNITY COLLEGE DISTRICT.

5 4. THE INITIAL ADOPTION OF A MUNICIPALITY'S TAX, FEE OR
6 UTILITY RATE STRUCTURE IF THE MUNICIPALITY WAS INCORPORATED
7 WITHIN THE TWO CALENDAR YEARS BEFORE THE EFFECTIVE DATE OF
8 THIS SECTION. THIS SECTION APPLIES TO THE MUNICIPALITY
9 DESCRIBED IN THIS PARAGRAPH AFTER THE MUNICIPALITY INITIALLY
10 ADOPTS THE TAX, FEE OR UTILITY RATE STRUCTURE.

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

12 1. THE EXPIRATION, REDUCTION OR ELIMINATION OF A FEE,
13 TAX OR UTILITY RATE.

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

17 3. AN INCREASE IN TOTAL REVENUE THAT RESULTS SOLELY
18 FROM AN INCREASE IN SERVICE DEMAND, USAGE OR GROWTH IN THE TAX
19 BASE.

20 4. THE ADOPTION, IMPOSITION OR COLLECTION OF A NEW OR
21 INCREASED RATE OR FEE PURSUANT TO SECTION 9-463.05 OR 9-511.01
22 TO FUND THE ACQUISITION AND DELIVERY OF NEW OR ADDITIONAL
23 WATER RESOURCES, INCLUDING THE COST OF ANY PREVIOUSLY INCURRED
24 OR FUTURE DEBT SERVICE OBLIGATIONS, NEEDED STORAGE, TREATMENT
25 OR DELIVERY INFRASTRUCTURE AND OPERATING AND MAINTENANCE
26 COSTS.

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

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

37 J. FOR THE PURPOSES OF THIS SECTION:

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

41 2. "UTILITY SERVICE":

42 (a) MEANS MUNICIPALLY PROVIDED UTILITY SERVICES.

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

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

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

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

14 F. THIS SECTION DOES NOT APPLY TO ANY OF THE FOLLOWING:
15 1. AN INCREASE IN A COUNTY TAX IF ALL OF THE FOLLOWING
16 APPLY:

17 (a) THE TAX INCREASE IS APPROVED BY THE QUALIFIED
18 ELECTORS OF THE COUNTY.

19 (b) AT LEAST SIXTY PERCENT OF THE VOTES CAST AT THE
20 ELECTION ARE CAST IN FAVOR OF THE MEASURE.

21 (c) THE ELECTION IS HELD ON A CONSOLIDATED ELECTION
22 DATE IN AN EVEN-NUMBERED YEAR PURSUANT TO SECTION 16-204.

23 2. AD VALOREM TAXES OR SPECIAL ASSESSMENTS LEVIED TO
24 PAY THE PRINCIPAL OF AND THE INTEREST AND REDEMPTION CHARGES
25 ON BONDED INDEBTEDNESS OR OTHER LAWFUL LONG-TERM OBLIGATIONS
26 ISSUED OR INCURRED FOR A SPECIFIC PURPOSE.

27 3. AD VALOREM TAXES OR ASSESSMENTS LEVIED BY OR FOR
28 PROPERTY IMPROVEMENT ASSESSMENT DISTRICTS, IMPROVEMENT
29 DISTRICTS AND OTHER SPECIAL PURPOSE DISTRICTS OTHER THAN A
30 COUNTY OR COMMUNITY COLLEGE DISTRICT.

31 4. AD VALOREM TAXES LEVIED BY A COUNTY FOR SUPPORT OF A
32 SCHOOL DISTRICT.

33 G. THIS SECTION DOES NOT PROHIBIT ANY OF THE FOLLOWING:
34 1. THE EXPIRATION, REDUCTION OR ELIMINATION OF A FEE,
35 TAX OR UTILITY RATE.

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

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

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

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

3 I. A TAXPAYER, RESIDENT BUSINESS OR PROPERTY OWNER WHO
4 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 COUNTY THAT IS
10 NOT A TAX OR UTILITY RATE, REGARDLESS OF THE NAME OR TITLE.

11 2. "UTILITY SERVICE":

12 (a) MEANS COUNTY-PROVIDED UTILITY SERVICES.

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

15 Sec. 4. Delayed repeal

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

18 Sec. 5. Severability

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

25 Sec. 6. Legislative findings and intent

26 A. The legislature finds that:

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

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

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

40 4. Advancements in technology, including artificial
41 intelligence and automation, present unprecedented
42 opportunities for local governments to streamline operations,
43 improve service delivery, increase productivity, and reduce
44 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.