



## 2025 Scottsdale 0.15% Sales Tax: Questions and Answers

### 1. What is being voted on?

The ballot proposal would replace and reduce an expiring 0.20% city sales tax with a 0.15% sales tax to provide funds solely for capital replacements and improvements at city parks and recreational facilities and additional maintenance, preservation and protection, including police and fire protection, of city parks and the McDowell Sonoran Preserve. This tax would expire after 30 years.

### 2. Will this increase the current tax rate?

No. The current total sales tax rate in Scottsdale is 8.05%; the city's portion of that is 1.75%, state and county taxes make up the rest. The expiring tax is two-tenths of one percent (0.20%), the proposed replacement tax is one-and-a-half tenths of one percent (0.15%). The replacement tax would take effect when the expiring tax terminates – there would be no overlap.

**If the replacement 0.15% tax is approved, the total sales tax rate in Scottsdale will decrease from 8.05% to 8.00% effective July 1, 2025.**

### 3. Why is this being proposed?

The city's Indian Bend Wash Greenbelt parks are aged, some over 50 years old, and require significant capital asset replacements and additional maintenance. Other city parks will also require capital replacements and improvements or additional maintenance as they age over the next 30 years. The 30,500-acre McDowell Sonoran Preserve requires additional dedicated funding to ensure proper ongoing maintenance, care and protection. The city's parks and the Preserve are also in need of additional Police Park Rangers and Fire resources including fire fuel mitigation and technical rescue to provide the best response and protection for our community's safety.

The ballot proposal was recommended by the Protect and Preserve Scottsdale Task Force, consisting of nine residents appointed by the City Council to develop financial strategy recommendations to preserve and protect Scottsdale's parks, open spaces and quality of life.

The task force held 22 public meetings from February 2023 to March 2024, studying the financial needs for upgrades and additional maintenance of city parks and recreation facilities (including critical improvements for WestWorld), and also the needs for the McDowell Sonoran Preserve as well as police and fire protection for the city's parks and Preserve.

A current 0.20% city sales tax that was approved by voters in 1995 to acquire land in the McDowell Sonoran Preserve will sunset in 2025. The task force concluded their work by recommending that the expiring tax be replaced and reduced to 0.15% to solely fund improvements and maintenance for citywide parks and recreational facilities (including WestWorld), maintenance and protection for the McDowell Sonoran Preserve, and increase police and fire resources for citywide parks and the Preserve.

The City Council accepted that recommendation and placed this proposal on the ballot for voter consideration.

The Protect and Preserve Scottsdale Task Force meeting materials and final report are available at [ScottsdaleAZ.gov, search “Protect and Preserve Task Force.”](https://scottsdaleaz.gov/search/protect-and-preserve-task-force)

4. What was the expiring 0.20% tax for and why is it no longer needed?

The expiring 0.20% sales tax was approved by voters in 1995 to acquire land for Scottsdale’s McDowell Sonoran Preserve. Land acquisitions are nearly complete, and the sales tax will no longer be needed for that purpose.

5. How would the replacement 0.15% tax be used?

If approved, the specific uses and annual revenues collected from the replacement 0.15% sales tax would be allocated by City Council Ordinance as follows:

- 51% for capital asset replacements and improvements to aged Indian Bend Wash parks and other citywide parks (see further discussion of capital replacements and improvements below)
- 14% for increased citywide park maintenance including additional maintenance workers and contracts to enhance park maintenance
- 7% for the Police Park Ranger program including additional resources for enforcement and education to provide better safety and security for city parks and the Preserve.
- 18% to increase maintenance, protection and care for the McDowell Sonoran Preserve and its desert plants and wildlife, including trail and trailhead maintenance; protecting wildlife habitat; assessing and protecting archaeological, ecological and cultural resources; and removing invasive plants to reduce wildfire risk (known as fire fuel mitigation)
- 10% for the Fire Department wildland fire fuel mitigation program with additional resources to remove/reduce overgrown plants and weeds around the Preserve and in city open spaces that pose ongoing wildfire risk during dry summer months, and additional Fire Department resources including technical rescue teams for citywide parks and the Preserve.

In addition to the annual allocations listed above, a portion of the 0.15% tax will also be allocated to provide one-time funding to address drainage, shade and other critical infrastructure issues at WestWorld. The improvements for WestWorld are anticipated to be funded with debt, and allocations for debt service will not exceed \$4.5 million per year from the 0.15% tax as restricted by Council ordinance. The total allocation over 30 years to WestWorld is estimated to be approximately 7% of the total revenue collected from the 0.15% tax over the life of the tax. (See table 1 at the end of this document).

This specific allocation and use of the 0.15% tax was recommended by the Protect and Preserve Scottsdale Task Force after their yearlong public process studying these issues. Task force meeting materials and their final report are available at [ScottsdaleAZ.gov, search “Protect and Preserve Task Force.”](https://scottsdaleaz.gov/search/protect-and-preserve-task-force)

The attached Table 1 shows the estimated allocations over 30 years based on projected revenues from the replacement 0.15% tax. These allocations were approved and recommended by the task force and accepted by the City Council.

6. Can the proposed replacement 0.15% tax be repurposed by future city councils?

By law, the city must use the replacement tax solely for the improvements, maintenance and protection of city parks and recreation facilities and the McDowell Sonoran Preserve as described in the ballot question.

The ordinance which specifies the allocation of the replacement tax revenues can only be changed by a super majority (at least five votes) of the City Council. **If the ordinance is changed in the future by a super majority of the City Council, the 0.15% tax allocations must still be used solely for the improvements, maintenance and protection of city parks and recreation facilities and the McDowell Sonoran Preserve as described in the ballot question, and cannot be diverted for other uses**

7. Why is a sales tax being proposed to address these expenses rather than Bonds?

Bond programs (General Obligation Bonds) increase property taxes and visitors and non-property owners do not share in the costs. Bond programs cannot be used for maintenance and operating needs such as for Police Park Rangers and fire fuel mitigation or maintenance and care of city parks and the Preserve.

A sales tax more appropriately distributes the costs to maintain, improve and protect the city's amenities – the McDowell Sonoran Preserve, city parks, and WestWorld – to everyone who uses them, including tourists and other nonresidents or non-property owners.

A sales tax is paid by everyone who buys taxable goods and services in Scottsdale, regardless of their place of residence, and is therefore a revenue source that does not depend solely on the city's property owners. The millions of visitors who come to Scottsdale each year also pay sales tax and will share in the cost of maintaining and protecting city parks and the Preserve.

8. Is there oversight and assurance that the replacement tax will be used for its stated purposes?

Yes. The City Council adopted an ordinance (a local law) which will be effective if the ballot proposal is approved by the voters. The city must comply with the ordinance which sets forth the allocation of the 0.15% tax as recommended by the task force.

**Additionally, the ordinance can only be changed by a super majority (at least five votes) of the City Council, and even if changed by a super majority, the 0.15% tax must still be used solely for improvements, maintenance and protection of city parks and the Preserve as described in the ballot question, and cannot be diverted for other uses.**

The ordinance also establishes additional oversight for the use of the tax through the Parks and Recreation Commission and McDowell Sonoran Preserve Commission and requires the City Treasurer to provide an annual accounting of the 0.15% tax to the City Council. City commissioners are residents appointed to advise staff and the City Council on specific topics.

9. What capital improvement needs have been identified for city parks and recreation facilities, and how were they determined?

For the major city community parks, capital improvement needs are typically identified and approved through community master planning efforts, which involve extensive community input, citizen board and commission review, and final approval by the City Council.

Current planning efforts for city parks and facilities include the Citywide Parks and Recreation Master Plan (in progress), Indian Bend Wash Master Plan - Thomas to McKellips (completed and approved by Council in 2020) and Indian School Park Master Plan (in progress). These community planning efforts are guided by goals and priorities from the voter-approved Scottsdale General Plan.

These efforts have identified a substantial list of improvements within the Indian Bend Wash Greenbelt, which includes some of Scottsdale's oldest parks. For example, at Eldorado Park (57 years old) and Vista Del Camino (53 years old), capital renewal and replacement needs include renovating fields, landscaping, irrigation repair, playgrounds, sport courts, paths, parking areas, and the Wedge Skatepark, and adding amenities like pickleball courts, splash pads, new shade structures, mature trees, a dog park and amphitheater. Similar renovations and improvement needs have been identified at Chaparral Park (50 years old) and Indian School Park (43 years old).

Find details at:

- [ShapeScottsdaleParks.com \(citywide Parks and Recreation Master Plan\)](https://shapescottsdaleparks.com)
- [IndianSchoolPark.com \(Indian School Park Master Plan\)](https://indianschoolpark.com)
- [Indian Bend Wash Municipal Use Master Site Plan](#)

10. What additional maintenance and public safety needs have been identified for city parks?

Scottsdale's parks and recreation system provides 44 parks totaling nearly 1,000 acres that routinely need maintenance and upkeep.

The Parks and Recreation Department has identified additional needs including increasing maintenance employees and contract staffing to perform a variety of park and recreation maintenance, beyond what can be done today due to limited funding and higher priority needs in the city's General Fund operating budget.

Additionally, the city receives numerous police calls for service regarding issues and incidents in our park and Preserve system whether it be dog off leash, disorderly conduct, vehicle damage and/or burglaries, homelessness issues or the search and rescue of lost/injured hikers. The Scottsdale Police Department responds to all issues arising in the park and Preserve system but does so via a call priority hierarchy. We currently have three Police Park Rangers whose sole focus is the entirety of the park and Preserve system in the City of Scottsdale. While the work they do is significant, there are still only three of these officers to cover this large swath of the city.

With additional resources and dedicated funding, the city can enhance its Police Park Ranger program and increase police response to calls for service, educational and outreach efforts to ensure safety and security for citizens and visitors who enjoy our parks and the Preserve.

11. What additional Fire resource needs have been identified for city parks and the Preserve?

The Scottsdale Fire Department performs brush patrol and treatment to address the risk of fire fuel loads around the Preserve and open spaces, and responds to fires, technical rescue, and other emergency response needs in the Preserve or citywide parks. The city relies on available funding through one-time grants for fire fuel mitigation or additional funding in the Fire Department budget to perform these tasks.

This ballot proposal will secure consistent and dedicated funding to ensure the continued provision of fire response efforts in citywide parks and the McDowell Sonoran Preserve including fire fuel mitigation, and hiker rescue services in the Preserve areas which is crucial for maintaining safety and protection for both residents, visitors and natural resources in the remote areas.

12. What additional needs have been identified for the McDowell Sonoran Preserve and how were they determined?

Scottsdale's McDowell Sonoran Preserve is 30,500 acres of permanently protected Sonoran Desert – home to more than 700 species of animals and plants, it is one of the largest municipally-owned parks or preserves in the world. The Preserve includes 12 trailheads leading to 235 miles of trails which welcome more than 1 million visits each year. Scottsdale's McDowell Sonoran Preserve represents a \$1.6 billion investment by Scottsdale residents which currently relies on the city's General Fund budget for day-to-day operations, maintenance and long-term care.

The General Fund operating budget does not have capacity for additional financial resources needed to ensure proper care and protection of the Preserve such as proper trail and trailhead maintenance; protection of wildlife habitat; archaeological, ecological and cultural resources assessments and protection and awareness programs; and increasing invasive plant removal and additional wildfire fuel reduction.

The McDowell Sonoran Preserve Commission, consisting of seven residents appointed by the City Council to provide recommendations to advise the council about the Preserve, recommends additional resources to maintain, protect and care for this unique part of Scottsdale, including additional resource for critical fire fuel mitigation in the Preserve.

13. What improvements have been identified for WestWorld and why is WestWorld receiving funding from the proposed tax?

WestWorld is a major recreational facility/event center that provides significant economic benefits to the city. Recent heavy rainfall events have demonstrated a critical need to address stormwater flow and drainage issues and protect the city's facility and infrastructure

investments. Additionally, providing more shaded event areas and improving access and parking have been identified as critical needs for event participants and visitors.

These needs were discussed by the Protect and Preserve Scottsdale Task Force and recommended to be funded within the proposed replacement tax as there is no other funding option for these capital improvements that require immediate attention.

It is important to note that the proposed replacement tax will provide funding only for the specific WestWorld improvements recommended by the task force and not ongoing funding for operating WestWorld over 30 years.

14. Could these parks, Preserve and public safety expenses be covered with the General Fund or other revenues?

These expenses are additional expenses that would compete against the city's primary operating expenses in the General Fund for higher priority. The General Fund pays for the city's Police and Fire departments, Public Works, Community Services and economic development services as well as general government expenses that support city operations. These additional expenses to upgrade aged parks and enhance maintenance and protection of city parks and the Preserve, as well as additional capital improvements for WestWorld would be deferred as they compete for other Police and Fire or other primary operating expenses that are of a higher priority in the General Fund. The proposed 0.15% tax funding can greatly enhance the city's ability to provide the best renewal, preservation and protection of our city parks and the McDowell Sonoran Preserve and increase our ability to ensure on-going capital asset replacements for our aged parks.

Other revenues are limited to grant funds and contributions, which are significantly limited and do not provide consistent or sufficient funding.

15. Are there remaining funds from the expiring tax and other taxes approved by voters for land acquisitions and improvements in the McDowell Sonoran Preserve that can be used for these expenses?

No. There are no remaining funds from the expiring 0.20% tax. There is currently approximately \$137 million of funds accumulated from the second Preserve tax that voters approved in 2004, restricted solely for additional land acquisitions and capital improvements in the Preserve. However, these funds are needed for ongoing debt service. These funds also cannot be repurposed for maintenance or other expenses discussed above as voters approved the tax to be used solely for land acquisition and capital improvements in the Preserve. The second Preserve tax that voters approved in 2004 expires in 2034 and is still currently needed to pay for debt service on outstanding debt already issued to purchase land in the Preserve.

16. How much does the replacement 0.15% tax proposed amount to?

The replacement 0.15% tax amounts to 15 cents on every \$100 purchase that is subject to sales tax. This is a reduction from the 20 cents with the current 0.20% tax expiring in 2025.

17. What will the financial impact be to the average household?

The replacement 0.15% tax is estimated to cost the average household \$3.71 per month compared to \$4.95 per month with the current expiring 0.20% tax.

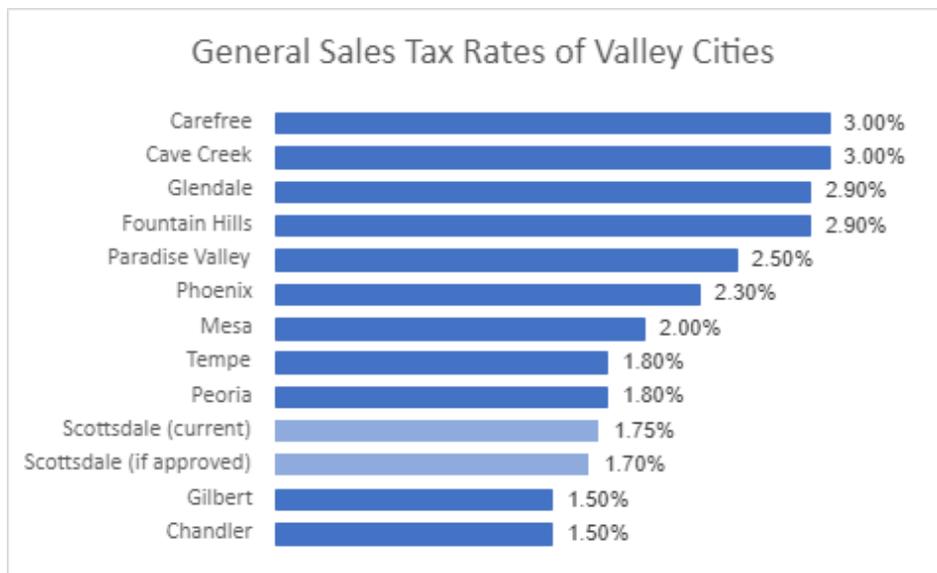
This estimate is calculated from the average annual household expenditures subject to sales tax, as reported in the Consumer Expenditure Survey for Phoenix-Mesa-Scottsdale Metropolitan Statistical Area, published in September 2023 by the U.S. Bureau of Labor Statistics.

18. How much revenue is the replacement tax expected to raise?

Based on economic growth rate projections and current collections, a replacement 0.15% tax is estimated to generate an average of \$38 million annually over the 30-year life of the tax. See detailed projections and allocations in Table 1.

19. How does Scottsdale’s sales tax rate compare to other Valley cities?

Scottsdale’s general sales tax rate (also known as the transaction privilege tax) is among the lowest in the Valley. The following table shows the city portion of the total sales tax rate for each city (the sales tax rate charged by the State and County is the same in all Valley cities and totals 6.30%).



20. Do other communities have similar taxes for parks and preserve or open spaces?

Yes. Locally, the city of Phoenix has a 0.10% sales tax dedicated to parks and open space, and other cities nationwide have a similar dedicated sales tax.

Cities	Parks & Open Space Sales Tax Rate	Total City Portion of Sales Tax Rate
Phoenix, AZ	0.10%	2.30%
Denver, CO	0.25%	4.13%
Boulder, CO	0.77%	4.50%
Colorado Springs, CO	0.10%	3.86%
St. Louis, MO	0.19%	3.07%
Kansas City, MO	0.50%	4.95%
Columbia, MO	0.25%	2.00%
Scottsdale (Proposed)	0.15%	1.70%

21. What happens if this ballot proposal is approved?

If approved, the replacement 0.15% tax would go into effect July 1, 2025 after the current 0.20% tax expires, and begin generating revenues that would be allocated during the city's annual public budgeting process to address the needs related to the restricted purpose of the replacement 0.15% tax.

22. What happens if this ballot proposal is rejected?

If the voters reject this ballot proposal, the 0.20% McDowell Sonoran Preserve tax will expire June 30, 2025. The city's sales tax rate will be reduced from 1.75% to 1.55%. The needs of the parks and McDowell Sonoran Preserve as well as police and fire protection needs identified above and through the work of the Protect and Preserve Scottsdale Task Force would be deferred as they compete for funding with other high priority needs in the General Fund. Improvements to the Indian Bend Wash parks and other aged parks will only be funded when General Fund revenues are available or other sources of funding become available.

