

Scottsdale Special Election – Nov. 6, 2018

Temporary Transportation Tax Questions and Answers

1. What is being voted on?

The ballot proposal would increase the city's transaction privilege and use tax rates by one-tenth of 1 percent (0.10%) for a period of 10 years to provide funds for transportation projects.

2. What are transaction privilege and use taxes?

Although commonly referred to as a sales tax, the Arizona Transaction Privilege Tax is actually a tax on the vendor for the privilege of doing business in the state. Various business activities such as retail sales are subject to transaction privilege tax. Like most Arizona cities, Scottsdale has a local transaction privilege tax in addition to state and county transaction privilege taxes.

The use tax is imposed upon the purchaser of tangible personal property which is used, stored, or consumed in Arizona when the sale was not subject to the transaction privilege tax. Out-of-state retailers or utility businesses that sell to Arizona customers are required to collect the Arizona use tax and remit it to the Arizona Department of Revenue. Scottsdale has a local use tax in addition to state and county use taxes.

3. How much does the tax amount to?

The tax amounts to one penny on every \$10 purchase.

4. What will this money be used for?

The money can only be used for transportation projects.

At its May 1st and previous meetings, the City Council discussed the need to fund additional transportation projects, especially those projects in the Arterial Life Cycle Program (ALCP) which are eligible for 70 percent matching dollars. A countywide sales tax fund (to which Scottsdale taxpayers have already contributed) supplies the matching dollars if the city pays 30 percent of project costs. So, each \$1 the city spends on eligible projects results in a total project investment of \$3.33. If the city does not fund Scottsdale's local portion, approximately \$170 million of countywide sales tax dollars previously designated for Scottsdale projects would be made available for projects in other communities beginning in 2020.

5. What are the Arterial Life Cycle Projects that are eligible for matching funds?

Following are the projects that have been reviewed by Council and are included within the Maricopa Association of Governments Arterial Life Cycle Program:

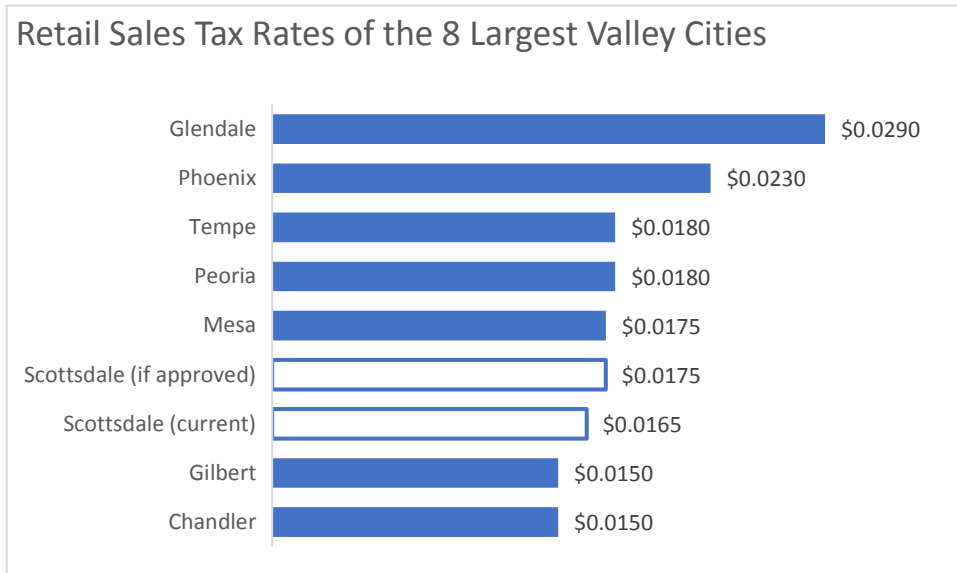
1. Frank Lloyd Wright Blvd at Loop 101 Traffic Interchange. Redesign intersection to improve safety and increase capacity including left-turn and right-turn lane modifications on Frank Lloyd Wright.

2. Raintree Drive at Loop 101 Traffic Interchange (joint with ADOT - three alternative modifications are being considered):
 - Retain single point interchange with increased left-turn storage on Raintree.
 - Convert to conventional diamond interchange.
 - Convert to diamond interchange with roundabouts.
3. Scottsdale Road: Dixileta Drive to Ashler Hills Drive. Construct six-lane arterial with raised median, bike lanes, sidewalks, and trails.
4. Carefree Highway: Cave Creek Rd to Scottsdale Road. Construct four-lane arterial with raised median, bike lanes, and sidewalks.
5. Scottsdale Road: Jomax Road to Dixileta Drive. Construct four-lane arterial with raised median, bike lanes, sidewalks, and trails.
6. Scottsdale Road: Ashler Hills Drive to Carefree Highway. Construct four-lane arterial with raised median, bike lanes, sidewalks, and trails.
7. Hayden Road at Loop 101 Interchange Improvements. Redesign intersection to improve safety and increase capacity including left-turn and right-turn lane modifications on Hayden.
- 8 to 17. Shea Boulevard SR-101 to 136th Street (10 Projects). Construct various turn-lane modifications and shared-use crossings at 10 different intersections.
18. Pima Road: Chaparral Road to Thomas Road (joint with Salt River-Pima Community). Construct four-lane arterial with raised median, bike lanes, and sidewalks.
19. Pima Road: Dynamite Boulevard to Stagecoach Road. Construct two-lane arterial with raised median, bike lanes, sidewalks, and trails, with drainage improvements.
20. Pima Road: Happy Valley Road to Dynamite Road. Construct four-lane arterial with raised median, bike lanes, sidewalks, and trails.
21. Legacy Drive: Hayden Road to 88th Street. Construct four-lane arterial with raised median, bike lanes, and sidewalks.
22. Pima Road: Thomas Road to McDowell Road (joint with Salt River-Pima Community). Construct four-lane arterial with raised median, bike lanes, and sidewalks, with drainage improvements.

6. Could the money be spent on anything other than transportation improvement projects?

No.

7. How does the city's sales tax rate for retail sales compare with other large Valley cities?



Source: ADOR TPT Tax Rate Table - June 2018 (via <https://azdor.gov/transaction-privilege-tax/tax-rate-table>)

8. When will the tax end?

The tax will end 10 years after it begins.

9. When is the election?

Nov. 6, 2018.

10. How can I find out more?

Visit ScottsdaleAZ.gov, search "elections."