



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

### 1. What is being voted on?

The ballot proposal asks voters to decide whether to: (a) authorize the city to enact a 0.15% transaction privilege and use (“sales”) tax rate for 30 years to take effect on July 1, 2025, upon the expiration of the current 0.20% tax rate, solely to fund improvements, maintenance, and protection of Citywide Parks and Recreational Facilities, and maintenance and protection of the McDowell Sonoran Preserve (“Preserve”) as determined by ordinance; or (b) not authorize the city to enact a new 0.15% sales tax rate and allow the current 0.20% sales tax rate to automatically expire at the end of June 30, 2025.

### 2. How would the Proposition affect the current city tax rate?

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. Of the city’s 1.75% sales tax rate, 0.20% of this tax rate expires at the end of June 30, 2025.

If the proposed 0.15% tax rate is approved, then on July 1, 2025, the city sales tax rate will be 1.70%. The new 0.15% tax rate would take effect upon the expiration of the 0.20% tax rate – there would be no gap and no overlap.

If the proposed 0.15% tax rate is not approved, then on July 1, 2025, the city sales tax rate will be 1.55% as the expiring 0.20% tax rate will automatically expire at the end of June 30, 2025.

### 3. Why is this being proposed?

The city’s Indian Bend Wash Greenbelt parks have been in existence for many years, some are over 50 years old and could benefit from capital asset replacements and additional maintenance. Other city parks could also benefit from capital replacements and improvements or additional maintenance as they age over the next 30 years. The McDowell Sonoran Preserve does not currently have a separate ongoing dedicated funding source to pay for maintenance outside of the city’s general fund. The proposed 0.15% tax rate would also fund additional Police Park Rangers and Fire resources including fire fuel mitigation and technical rescue for citywide parks and the Preserve. These needs are beyond what can be done today due to limited funding and higher priority needs in the city’s General Fund operating budget.

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 recreational facilities (including drainage, shade, and infrastructure improvements for WestWorld), and the needs for the McDowell Sonoran Preserve as well as police and fire protection for the city’s parks and the Preserve.

The current 0.20% city sales tax rate that was approved by voters in 1995 to acquire land in the McDowell Sonoran Preserve will expire in 2025. The Task Force concluded their work by recommending that the Council request voter approval to enact a new 0.15% sales tax rate for 30 years, effective July 1, 2025, upon expiration of the 0.20% sales tax rate, solely to fund improvements and maintenance for citywide parks and recreational facilities (including WestWorld), maintenance and protection for the McDowell Sonoran Preserve, and increased 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%20and%20Preserve%20Task%20Force)

4. How would the proposed 0.15% tax rate be used?

If approved, the specific uses and annual revenues collected from the proposed 0.15% sales tax rate would be allocated as follows, as designated by Council Ordinance No. 4633 (see Table 1 at the end of this document for estimated allocations):

- 51% for capital asset replacements and improvements to the Indian Bend Wash parks and other citywide parks (see further discussion of capital replacements and improvements below).
- 14% for citywide park and recreational facilities (excluding WestWorld) maintenance including additional maintenance workers and contracts.
- 7% for the Police Park Ranger program including additional resources for enforcement and education to provide safety and security for city parks and the Preserve.
- 18% for 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 funds from the proposed 0.15% tax rate also will be allocated to provide one-time funding to address drainage, shade, and other 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 proposed 0.15% tax rate 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 proposed 0.15% tax rate over the life of the rate. (See table 1 at the end of this document).

This specific allocation and use of the proposed 0.15% tax rate was recommended by the Protect and Preserve Scottsdale Task Force.

Task Force meeting materials and their final report are available at [ScottsdaleAZ.gov, search "Protect and Preserve Task Force."](https://www.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 proposed 0.15% tax rate. These allocations were approved and recommended by the Task Force and accepted by the City Council.

5. Can the proposed 0.15% tax rate be repurposed by future City Councils?

By law, the city must use funds from the proposed 0.15% tax rate solely for the improvements, maintenance, and protection of city parks and recreational facilities and the McDowell Sonoran Preserve as described in the ballot. The City Council adopted an ordinance (local law) that will take effect if the ballot proposal is approved by the voters, which specifies the allocation of the 0.15% tax rate revenues and 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 rate allocations must still be used solely for the improvements, maintenance and protection of city parks and recreational facilities and the McDowell Sonoran 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 rate to the City Council. City commissioners are residents appointed by City Council to provide recommendations to staff and the City Council on specific topics.

6. Why is a sales tax rate being proposed to address these expenses rather than bonds?

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 can be used to maintain, improve and protect the city's amenities – the McDowell Sonoran Preserve, city parks, and WestWorld. Bond programs (General Obligation Bonds) increase property taxes and visitors and non-property owners do not share in the costs. A sales tax is paid by everyone who buys taxable goods and services in Scottsdale, regardless of their place of residence.

7. What capital improvements have been identified for city parks and recreational facilities, and how were they determined?

For the major city community parks, capital improvements are typically identified and approved through community master planning efforts, which involve 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 the voter-approved Scottsdale General Plan.

These efforts have identified a 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 Park (53 years old), capital renewal and replacement requests 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 improvements 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](#)

8. What additional maintenance and public safety requests 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 that the parks could benefit from additional 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. Scottsdale currently has three Police Park Rangers whose sole focus is the entirety of the park and Preserve system in the city of Scottsdale.

9. 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 currently 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.

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

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 the McDowell Sonoran Preserve. Continued financial resources are needed for the care and protection of the Preserve, including 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.

11. What improvements have been identified for WestWorld and why is WestWorld receiving funding from the proposed 0.15% tax rate?

WestWorld is a recreational facility/event center that provides economic benefits to the city. Recent heavy rainfall events have demonstrated a need to address stormwater flow and drainage issues to protect the city's facility and infrastructure investments. Additionally, providing more shaded event areas and improving access and parking have been requested by participants and visitors.

These requests were discussed by the Protect and Preserve Scottsdale Task Force and recommended to be funded within the proposed 0.15% tax rate.

It is important to note that the proposed 0.15% tax rate will provide funding only for the specific WestWorld improvements recommended by the Task Force, and as further limited by Council ordinance, and not ongoing funding for operating WestWorld over 30 years.

12. Are there remaining funds from the expiring 0.20% tax rate or other taxes approved by voters for land acquisitions and improvements in the McDowell Sonoran Preserve that can be used for these expenses?

No. All remaining funds from the expiring 0.20% tax rate are committed to paying outstanding debt service payments for Preserve land acquisitions. Currently, there is approximately \$137 million of funds (estimate as of June 30, 2024) accumulated from the second Preserve tax rate that voters approved in 2004, restricted solely for additional land acquisitions and capital improvements in the Preserve.

However, these accumulated 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 rate to be used solely for land acquisition and capital improvements in the Preserve.

13. Are there revenues in the General Fund that can be used for these expenses?

The General Fund pays for ongoing city services such as public safety, community services which includes parks and recreation maintenance, maintenance of the Preserve and capital asset replacements. General Fund revenues are allocated through the budget process and approved by Council. Based on the current allocation of revenues, the Protect and Preserve Task Force determined that additional ongoing resources were needed to fully fund all the needs identified.

14. How much does the proposed 0.15% tax rate amount to?

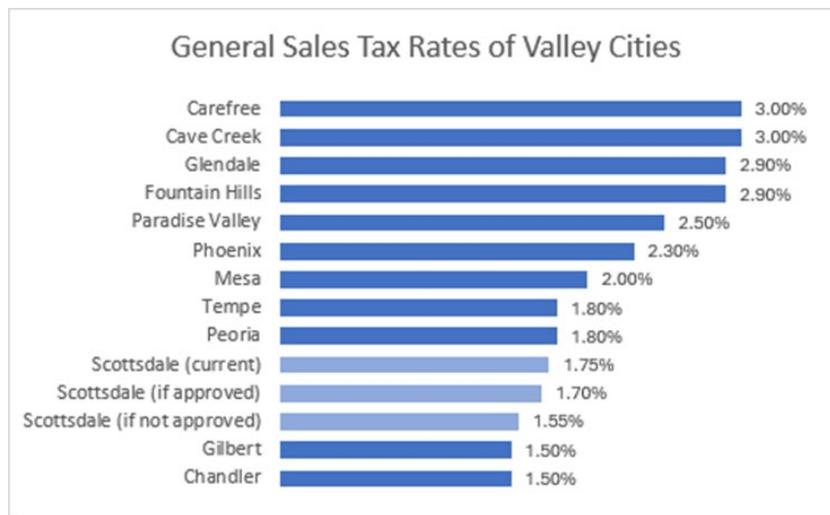
The 0.15% tax rate amounts to 15 cents on every \$100 purchase that is subject to sales tax.

15. How much revenue is the proposed 0.15% tax rate expected to raise?

Based on economic growth rate projections and current collections, a 0.15% tax rate 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.

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

The following table shows the city portion of the total sales tax rate for various cities (the sales tax rate charged by the State and County is the same in all Valley cities and totals 6.30%).



17. 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 rate dedicated to parks and open space.

18. Why was Proposition 490’s ballot language revised?

On April 2, 2024, the City Council approved ballot language for Proposition 490. On June 20, 2024, a lawsuit was brought seeking to prohibit the city of Scottsdale from placing Proposition 490 on the November 5, 2024 General Election ballot. On July 19, 2024, the Maricopa County Superior Court ruled in favor of the city. The plaintiffs appealed the ruling to the Arizona Court of Appeals. On August 19, 2024, the Court of Appeals issued an amended order prohibiting the city and county from including the ballot proposal “as currently worded on the 2024 ballot.”

On August 20, 2024, during a special open public meeting, the City Council revised the ballot language to comply with the Court of Appeals’ order. The revised ballot language was provided to Maricopa County for inclusion on the November 5, 2024 General Election ballot. Additionally, individuals and groups who filed arguments in support of and in opposition to Proposition 490 were given the revised ballot language and an opportunity to revise their arguments.

Only the ballot language explaining Proposition 490 was revised. The substance of Proposition 490, including the tax rate, allocations, and use of the proposed tax, remains the same.

19. What happens if this ballot proposal is approved?

If approved, the new 0.15% sales tax rate would go into effect July 1, 2025 immediately upon expiration of the expiring 0.20% tax rate, and begin generating revenues that would be allocated during the city's annual public budgeting process in accordance with Ordinance No. 4633, to address the needs related to the restricted purpose of the proposed 0.15% tax rate.

20. What happens if this ballot proposal is rejected?

If the voters reject this ballot proposal, the city will not be authorized to enact a new 0.15% sales tax rate and the expiring 0.20% sales tax rate will automatically expire at the end of June 30, 2025.

Table 1. Allocation of estimated proposed 0.15% tax rate revenues for park and WestWorld improvements, park and Preserve maintenance, police park rangers and fire fuel mitigation and technical rescue. Amounts in thousands (rounding may occur).

Year	Projected 0.15% Tax Collections	Set Aside for Revenue Stabilization Reserves	Net Available for Expenditures	Estimated Debt for WestWorld Improvements	% Allocated to West World	Allocation of Taxes After Debt Requirements					
						Net Taxes After Debt Requirements	Park Improvements	Park Maintenance	McDowell Sonoran Preserve	Police Park Rangers	Fire Fuel Mitigation and Technical Rescue
1	24,000	5,657	18,343	-	0%	18,343	9,355 51%	2,568 14%	3,302 18%	1,284 7%	1,834 10%
2	24,000	396	23,604	2,555	11%	21,050	10,735 51%	2,947 14%	3,789 18%	1,473 7%	2,105 10%
3	25,000	135	24,865	1,703	7%	23,162	11,813 51%	3,243 14%	4,169 18%	1,621 7%	2,316 10%
4	25,000	213	24,787	1,703	7%	23,084	11,773 51%	3,232 14%	4,155 18%	1,616 7%	2,308 10%
5	26,000	224	25,776	3,846	15%	21,931	11,185 51%	3,070 14%	3,948 18%	1,535 7%	2,193 10%
6	27,000	232	26,768	3,846	14%	22,922	11,690 51%	3,209 14%	4,126 18%	1,605 7%	2,292 10%
7	28,000	240	27,760	3,846	14%	23,914	12,196 51%	3,348 14%	4,305 18%	1,674 7%	2,391 10%
8	29,000	248	28,752	3,846	13%	24,906	12,702 51%	3,487 14%	4,483 18%	1,743 7%	2,491 10%
9	30,000	257	29,743	3,846	13%	25,897	13,207 51%	3,626 14%	4,661 18%	1,813 7%	2,590 10%
10	31,000	266	30,734	3,846	13%	26,888	13,713 51%	3,764 14%	4,840 18%	1,882 7%	2,689 10%
11	32,000	275	31,725	3,846	12%	27,879	14,218 51%	3,903 14%	5,018 18%	1,952 7%	2,788 10%
12	33,000	285	32,715	3,846	12%	28,869	14,723 51%	4,042 14%	5,196 18%	2,021 7%	2,887 10%
13	35,000	295	34,705	3,846	11%	30,859	15,738 51%	4,320 14%	5,555 18%	2,160 7%	3,086 10%
14	36,000	305	35,695	3,846	11%	31,849	16,243 51%	4,459 14%	5,733 18%	2,229 7%	3,185 10%
15	37,000	316	36,684	3,846	10%	32,838	16,747 51%	4,597 14%	5,911 18%	2,299 7%	3,284 10%
16	38,000	283	37,717	3,846	10%	33,871	17,274 51%	4,742 14%	6,097 18%	2,371 7%	3,387 10%
17	39,000	289	38,711	3,846	10%	34,865	17,781 51%	4,881 14%	6,276 18%	2,441 7%	3,487 10%
18	40,000	298	39,703	3,846	10%	35,857	18,287 51%	5,020 14%	6,454 18%	2,510 7%	3,586 10%
19	42,000	306	41,694	3,846	9%	37,848	19,302 51%	5,299 14%	6,813 18%	2,649 7%	3,785 10%
20	43,000	316	42,684	3,846	9%	38,838	19,808 51%	5,437 14%	6,991 18%	2,719 7%	3,884 10%
21	44,000	325	43,675	3,846	9%	39,829	20,313 51%	5,576 14%	7,169 18%	2,788 7%	3,983 10%
22	46,000	335	45,665	1,292	3%	44,374	22,631 51%	6,212 14%	7,987 18%	3,106 7%	4,437 10%
23	47,000	345	46,655	2,143	5%	44,512	22,701 51%	6,232 14%	8,012 18%	3,116 7%	4,451 10%
24	48,000	355	47,645	2,143	4%	45,502	23,206 51%	6,370 14%	8,190 18%	3,185 7%	4,550 10%
25	50,000	366	49,634	-	0%	49,634	25,313 51%	6,949 14%	8,934 18%	3,474 7%	4,963 10%
26	51,000	377	50,623	-	0%	50,623	25,818 51%	7,087 14%	9,112 18%	3,544 7%	5,062 10%
27	53,000	388	52,612	-	0%	52,612	26,832 51%	7,366 14%	9,470 18%	3,683 7%	5,261 10%
28	54,000	400	53,600	-	0%	53,600	27,336 51%	7,504 14%	9,648 18%	3,752 7%	5,360 10%
29	56,000	412	55,588	-	0%	55,588	28,350 51%	7,782 14%	10,006 18%	3,891 7%	5,559 10%
30	58,000	424	57,576	-	0%	57,576	29,364 51%	8,061 14%	10,364 18%	4,030 7%	5,758 10%
	1,151,000	14,563	1,136,437	76,920		1,059,518	540,354	148,332	190,713	74,166	105,952

Percent of Total \$1.15 Billion over 30 Years

7%

48%

13%

17%

6%

9%

(Amounts expressed in thousands in table above, rounding may occur)