



Fact Sheet

1.00% Sales Tax for Streets

Shall the City of Prescott repeal the transaction privilege tax of three-fourths of one percent (3/4%) dedicated to streets and roads for a term of twenty (20) years beginning January 1, 2016, and in lieu thereof adopt a one percent (1%) transaction privilege tax dedicated to streets and roads for a term of twenty (20) years beginning January 1, 2016, the proceeds of which are to be used for the costs of planning, design, right-of-way acquisition, and improvements, and other costs associated with the construction, rehabilitation, and maintenance of City streets, highways, alleys, and roadways; including but not limited to curbs, gutters, drainage, bridges, sidewalks, shoulders, and medians? The accumulation of such tax proceeds to be in accordance with Article IX, Section 20 of the Arizona State Constitution.

- ✓ This 1.00% tax will not increase the present tax rate of 1.00%, but be restricted to street maintenance and improvements rather than streets and open space
- ✓ This funding cannot be taken by the Legislature, as has occurred over the last 10 years with fuel tax revenue levied by the state, which has resulted in a loss of \$2.1 million to the City of Prescott
- ✓ If the 1.00% for streets does not pass, the funding sales tax rate will drop from 1.00% to 0.75%, insufficient to keep up with street needs, and in particular pavement preservation
- ✓ At 0.75%, the backlog of pavement preservation and rehabilitation (repaving) will increase by \$26 million over the next 10 years, from \$72 million to \$98 million
- ✓ At 1.00%, the backlog of preservation and rehabilitation will only modestly increase by \$7 million in 10 years, from \$72 million to \$79 million
- ✓ The less preservation and rehabilitation that is accomplished, the costlier the fix becomes, as street reconstruction (replacement) becomes the only option for repair. With less funding, projects will be delayed or eliminated, and will turn into more expensive reconstruction due to the inability to extend the life of the street through preservation techniques

- ✓ Typical costs of pavement treatments (per square yard) for comparison are as follows:
 - Pavement preservation (\$1 to \$6 per SY) – types of treatments include crack sealing, fog sealing, slurry sealing, chip sealing, micro-resurfacing
 - Pavement rehabilitation (\$ 25 per SY) – mill/overlay (grind top layer and repave)
 - Pavement reconstruction (\$72 per SY) – complete rebuild of the pavement section