



# Bed Tax Policy

September 2, 2025

CITY OF  
**MARICOPA**  
PROUD HISTORY • PROSPEROUS FUTURE





# Strategic Priorities

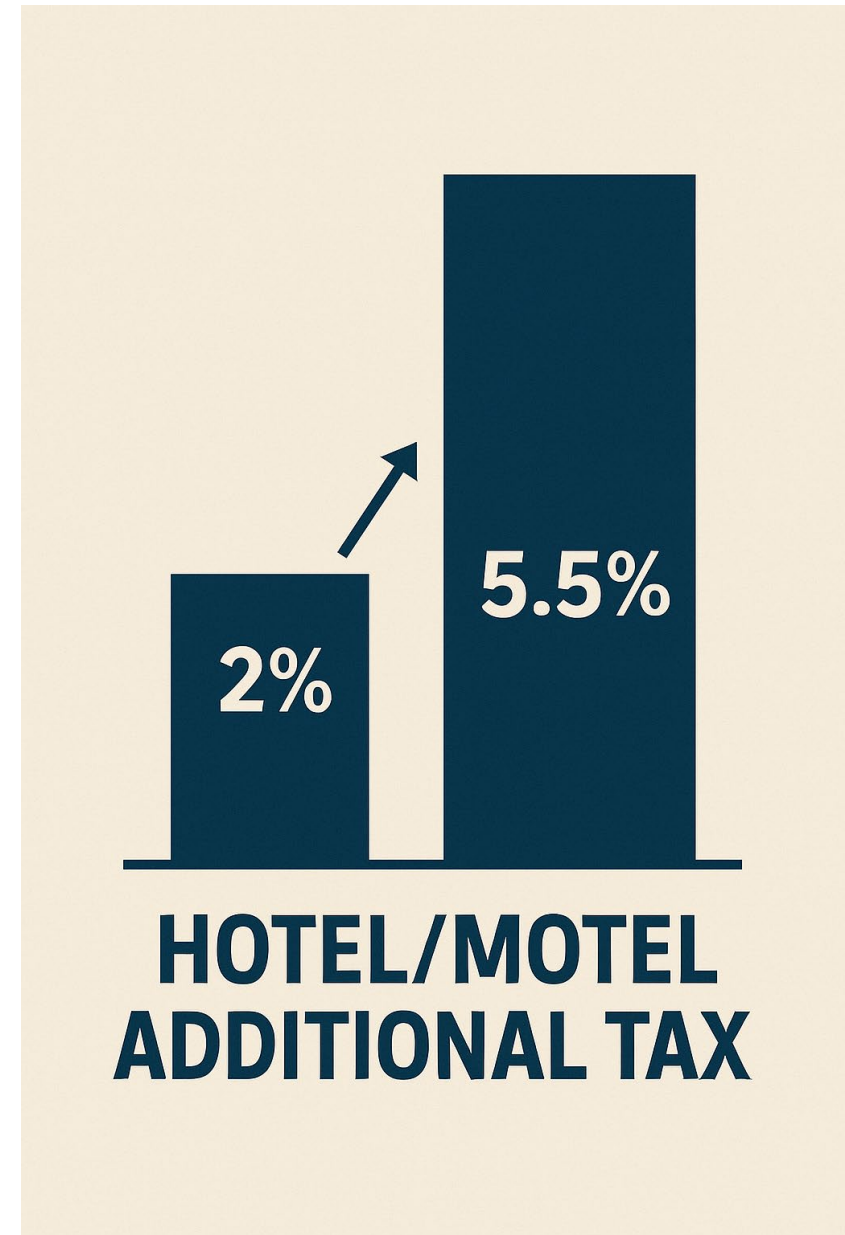
Adopted 5-6-25



- **Focus 4 – Quality of Life**
  - **Strategic Action 4.4** - “To enhance Maricopa’s cultural vitality, we will champion initiatives that celebrate the arts by investing in public art projects and experiences.”
- **Focus 5 – Becoming a Destination City**
  - **Strategic Action 5.1** - “To attract visitors from across the region and the nation, we will employ a sports and event tourism strategy that encompasses broad appeal. We will utilize bed tax funds to minimize the impact on local taxpayers while inviting visitors who can boost local businesses and enhance Maricopa’s regional profile. By attracting tourists who spend dollars in our community, we aim to create an influx of revenue that supports both local commerce and the growth of our city.”

## Background Information

On June 1, 2021, the City Council passed an increase to the Hotel/Motel Additional Tax from 2% to 5.5%.



# Arizona Revised Statute 9-500.06

- *Expenditures for the promotion of tourism include:*
  1. *Direct expenditures by the city or town to promote tourism, including but not limited to sporting events or cultural exhibits.*
  2. *Contracts between the city or town and nonprofit organizations or associations for the promotion of tourism by the nonprofit organization or association.*
  3. *Expenditures by the city or town to develop, improve or operate tourism related attractions or facilities or to assist in the planning and promotion of such attractions and facilities.*



# What other cities do

City	Use of Bed Tax Dollars for Tourism
Fountain Hills	Special Events, Advertising/Marketing, Fountain Maintenance
Queen Creek	Mesa Gateway Airport Authority, Economic Development, Visit QC
Page	Bond for Aquatic Center, Marketing, Familiarization Tours
Gilbert	Special Events, Marketing Campaigns, CIP Projects with Tourism Draw, Economic Development/Tourism Team
Sahuarita	Economic Development
Prescott Valley	Special Events, Chamber of Commerce Funding
Casa Grande	Destination Marketing Agreement with Chamber of Commerce



# Proposal

The City is designating all Hotel/Motel Additional Tax revenue (5.5%) to Arts and Tourism initiatives.

While not a statutory requirement, to align with Strategic Priorities this policy reflects that all money received from visitors gets reinvested to attract more visitors.



The annual budget for the Hotel/Motel Additional Tax revenue is recommended to Council during the annual budget process based on collections and goals.



Unused funds budgeted for expenditure in the current year will carry forward to subsequent fiscal year.

# Allocation

- 91% of receipts: Funding for Event Tourism initiatives, including current and future events.
- 9% of receipts: Funding for the Arts Grant Program.



# Questions?