



**TOWN OF CAMP VERDE
NOTICE OF INTENT – PROPOSED INCREASE
IN THE TRANSIENT LODGING TRANSACTION PRIVILEGE TAX
FROM THREE PERCENT (3.00%) TO EIGHT PERCENT (8.00%)**

Pursuant to A.R.S. § 9-499.15 and A.R.S. § 9-511.01, the Town of Camp Verde provides Notice of Intent to increase tax rates.

This Notice of Intent is scheduled to be heard by the Town Council at its meeting on March 25, 2026 at 5:00 p.m. The Town Council will also hold a public hearing at least sixty days after adoption of the notice of intent on May 27, 2026, at 5:00 p.m., in which the public may comment on the proposed transient lodging transaction privilege tax increase. The Camp Verde Town Council will consider adoption of the new tax rate by ordinance after the public hearing on May 27, 2026.

All meetings will be held at 473 S. Main Street, Suite 106, Camp Verde, Arizona.

A copy of this Notice of Intent will be posted on the Town's website with a copy of the schedule for proposed increase and supporting documentation at least sixty days prior to the public hearing.

IF APPROVED BY COUNCIL, THE TAX RATE WILL BECOME EFFECTIVE ON JULY 1ST, 2026.

A copy of the schedule for proposed increase and supporting documentation may be reviewed at the office of the Town Clerk of the Town of Camp Verde, at 473 S. Main St. during normal office hours, Monday through Thursday, 7:00 a.m. – 5:00 p.m.

Persons wishing to comment on the proposed changes may do so, in writing, prior to the meeting listed above or may testify in person at the May 27, 2026 meeting.

Dated this 25th day of March, 2026.

TOWN OF CAMP VERDE

Leah Rhodes, Town Clerk

DATE POSTED ON TOWN WEBSITE: 3/26, 2026.

PUBLISHED ON 3/26/26 2026 at Town Hall, Basha's NOT
LESS THAN THIRTY DAYS BEFORE THE PUBLIC HEARING DATE

SCHEDULE OF PROPOSED TAX INCREASE

Current Tax Rate: 3.00% Transient Lodging Transaction Privilege Tax

Proposed Tax Rate: 8.00% Transient Lodging Transaction Privilege Tax

Proposed Increase: 5.00 percentage points

Tax Category Affected: Transient lodging accommodations including hotels, motels, RV stays, short term lodging, and similar overnight accommodations of 30 days or less.

Current Combined Lodging Tax Rate in Camp Verde

Taxing Authority	Rate
State of Arizona Transaction Privilege Tax	5.5%
Yavapai County	0.825%
Town of Camp Verde General Transaction Privilege Tax	3.65%
Town of Camp Verde Additional Hotel/Motel Tax	3.00%
Total Combined Lodging Tax Rate	12.975%

Proposed Combined Lodging Tax Rate (If Adopted)

Taxing Authority	Rate
State of Arizona Transaction Privilege Tax	5.5%
Yavapai County	0.825%
Town of Camp Verde General Transaction Privilege Tax	3.65%
Town of Camp Verde Additional Hotel/Motel Tax	8.00%
Total Combined Lodging Tax Rate	17.975%

Proposed Effective Date: If adopted by the Town Council, the proposed increase to 8% will become effective July 1, 2026.

SUPPORTING REPORT

Background

The Town of Camp Verde established its 3.00% transient lodging tax by ordinance, and the rate has remained unchanged for several years. Over the past several years, Camp Verde has seen increased visitation tied to outdoor recreation, regional events, wineries, and its proximity to major tourism corridors.

As visitation has grown, so too has the demand placed on Town infrastructure, services, and amenities that support both residents and visitors. At the same time, the Town has had limited dedicated funding to proactively invest in tourism promotion, event development, and visitor-serving infrastructure.

On May 14, 2025, the Town Council provided direction to evaluate an increase to the lodging tax as part of broader discussions related to revenue sustainability, economic development, and strategic investment in community assets. This proposed increase reflects that direction and is being advanced in coordination with the FY2027 budget process.

Legal Authority

Under A.R.S. § 9-500.23, municipalities are authorized to impose and increase a transaction privilege tax on transient lodging by ordinance. Voter approval is not required unless mandated by local charter or code, which does not apply to the Town of Camp Verde.

Statutory Use of Revenue (Restricted vs. Unrestricted)

State law establishes how lodging tax revenues may be used:

- The Town may impose a lodging tax up to 2% above its retail TPT rate (3.65%), or 5.65% total, without restriction.
- Any portion of the lodging tax above 5.65% must be used for tourism-related purposes.

Under the proposed 8.00% lodging tax:

- 5.65% may be used for general governmental purposes
- 2.35% must be restricted to tourism-related expenditures

Eligible uses of restricted funds include:

- Tourism promotion and marketing
- Sponsorship of events and festivals
- Development and operation of tourism-related facilities
- Partnerships with organizations that promote tourism

Compliance with CPI Limitations

Pursuant to A.R.S. § 9-500.06, increases to certain taxes are subject to Consumer Price Index (CPI) limitations.

The five-year average CPI is calculated as follows:

- August 2024: +2.6%
- August 2023: +3.7%
- August 2022: +13.0%
- August 2021: +7.1%
- August 2020: +1.3%

Five-Year Average CPI: 5.54%

The proposed increase of 5.00% is within the allowable CPI threshold.

Purpose of the Proposed Increase

The proposed increase to the transient lodging tax is intended to generate additional revenue to support both general municipal services and targeted tourism-related investments.

Under state law, up to 5.65% of the lodging tax may be used without restriction and will support General Fund operations, helping to offset the cost of essential services. This includes public safety, parks and recreation, infrastructure maintenance, and other core municipal functions. As visitation to Camp Verde continues to grow, so does the demand on these services, and this funding structure helps ensure those costs are not borne solely by residents.

The remaining 2.35% of the proposed tax increase will be restricted for tourism promotion and tourism-related attractions. These funds will support initiatives such as marketing, events, and enhancements to visitor-serving amenities that strengthen Camp Verde's position as a destination community.

Importantly, this revenue source is primarily generated by visitors rather than residents, allowing the Town to reinvest in the community, support service delivery, and enhance the visitor experience without placing additional financial burden on local households.