MEMORANDUM

Date: August 20, 2013

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

Re: **County Supervisors Association Presentation Regarding Transportation Funding**

It is gratifying to see the County Supervisors Association of Arizona (CSA) take a leadership position regarding transportation funding in Arizona.

Transportation provides a significant catalyst for economic development, and its adequate funding is essential for economic development and economic expansion. Without adequate funding statewide, we will fall behind our nearest competitors (California and Texas) in economic opportunities.

The attached Transportation Funding Overview presents information on a statewide, county-by-county scale previously discussed with the Board of Supervisors, including information that led the Board to prioritize increased transportation investment on our agenda for the upcoming State legislative session.

Chief Deputy County Administrator Martin Willett and I met previously with CSA Executive Director Craig Sullivan and stressed the importance of addressing the inadequacy of transportation funding statewide, including transportation funding for all counties in Arizona. I am very pleased our message has resulted in a more comprehensive, unified and coordinated effort to address transportation funding, which is an essential element of our economic development and expansion strategies.

CHH/dph

Attachment

c: Craig Sullivan, Executive Director, County Supervisors Association
Martin Willett, Chief Deputy County Administrator
Michael Racy, Racy Associates, Inc.

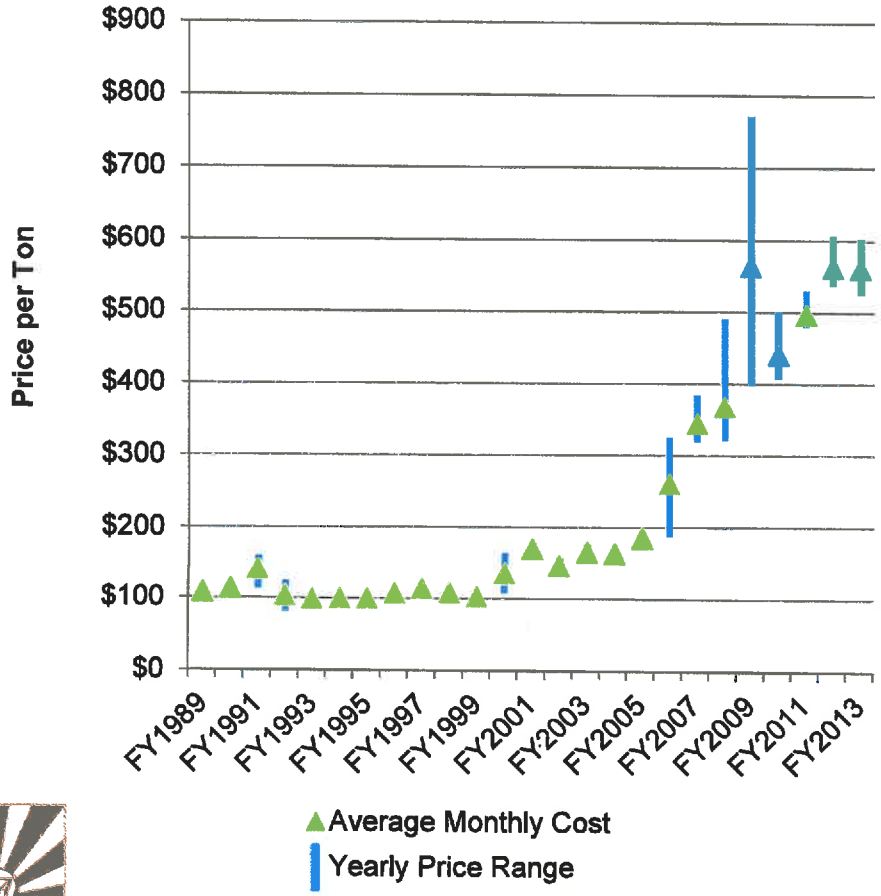
County Supervisors
ASSOCIATION
of arizona

Transportation Funding Overview

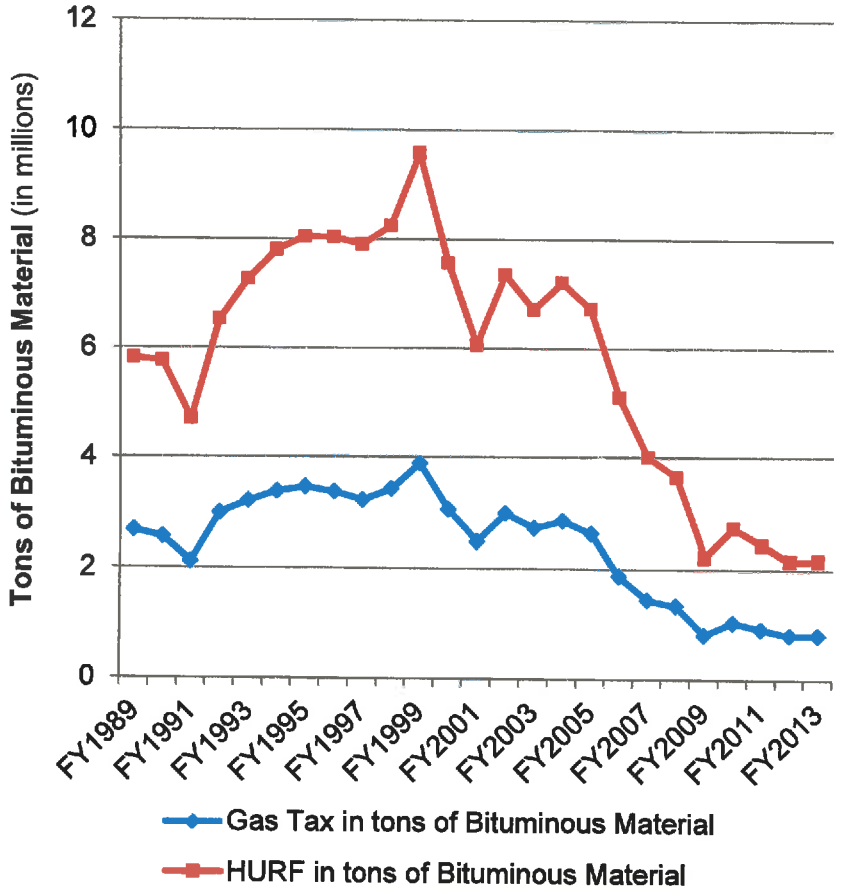
August 16th, 2013

Current Revenue Structure

Average Annual Monthly Bituminous Material Cost

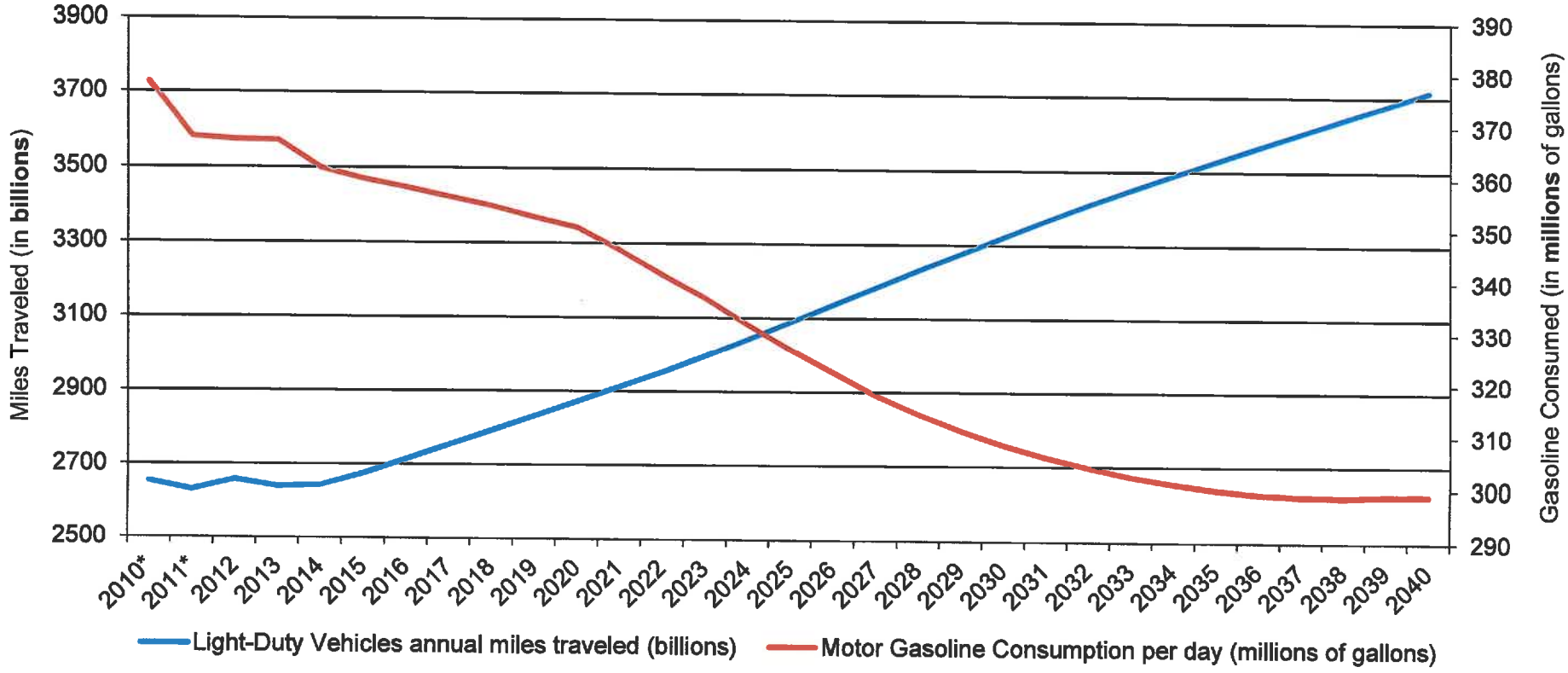


Bituminous Material Purchasing Power of Gas Tax & Total HURF



Projected National Trend

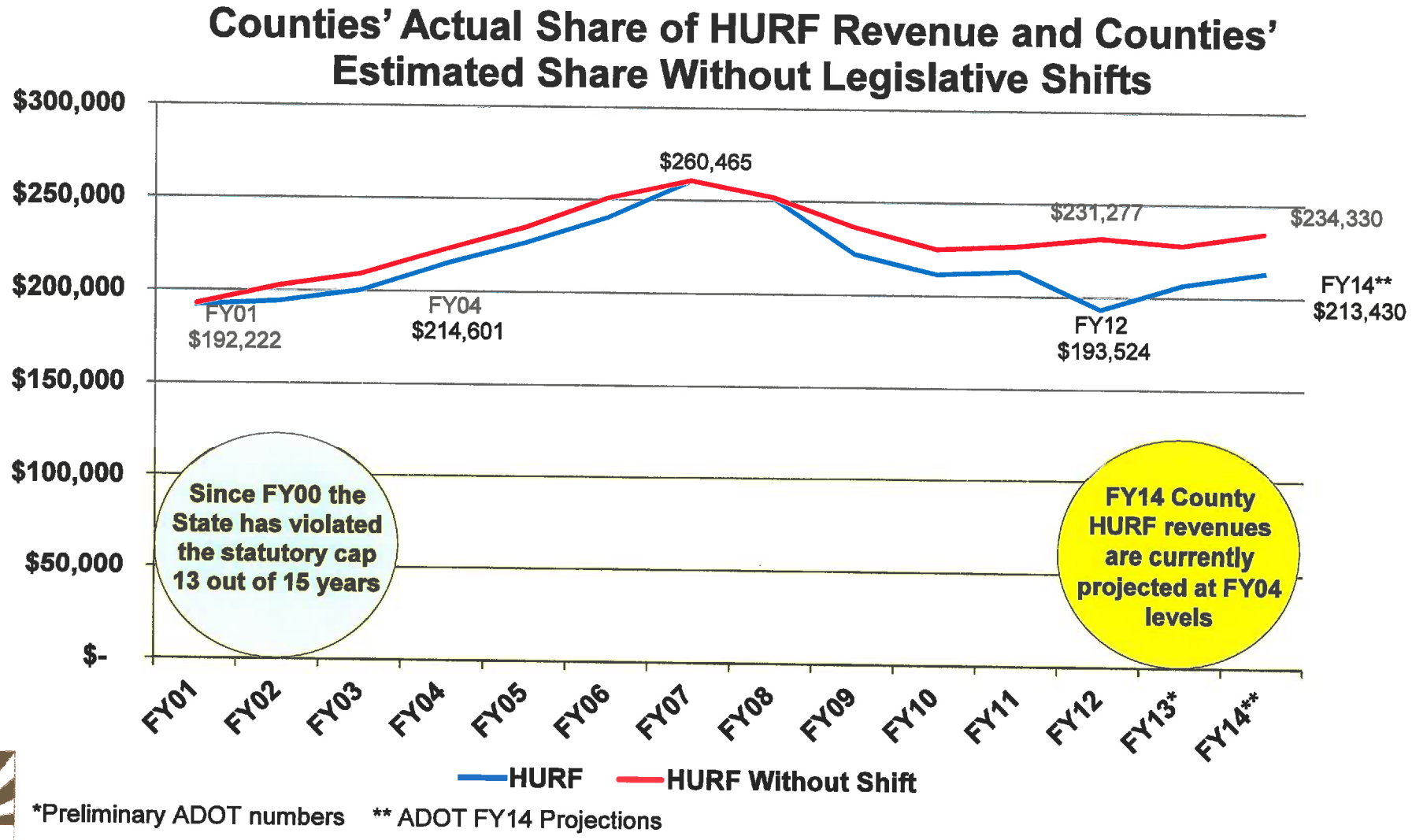
Projected Vehicle Miles Traveled Compared to Gallons of Motor Gasoline Consumed^



^U.S. Energy Information Administration (EIA) Annual Energy Review 2011; Reference Case Tables A7 & A11. Accessed at: http://www.eia.gov/analysis/projection-data.cfm#annualproj

*Represents actual data

HURF Revenues at FY04 Levels

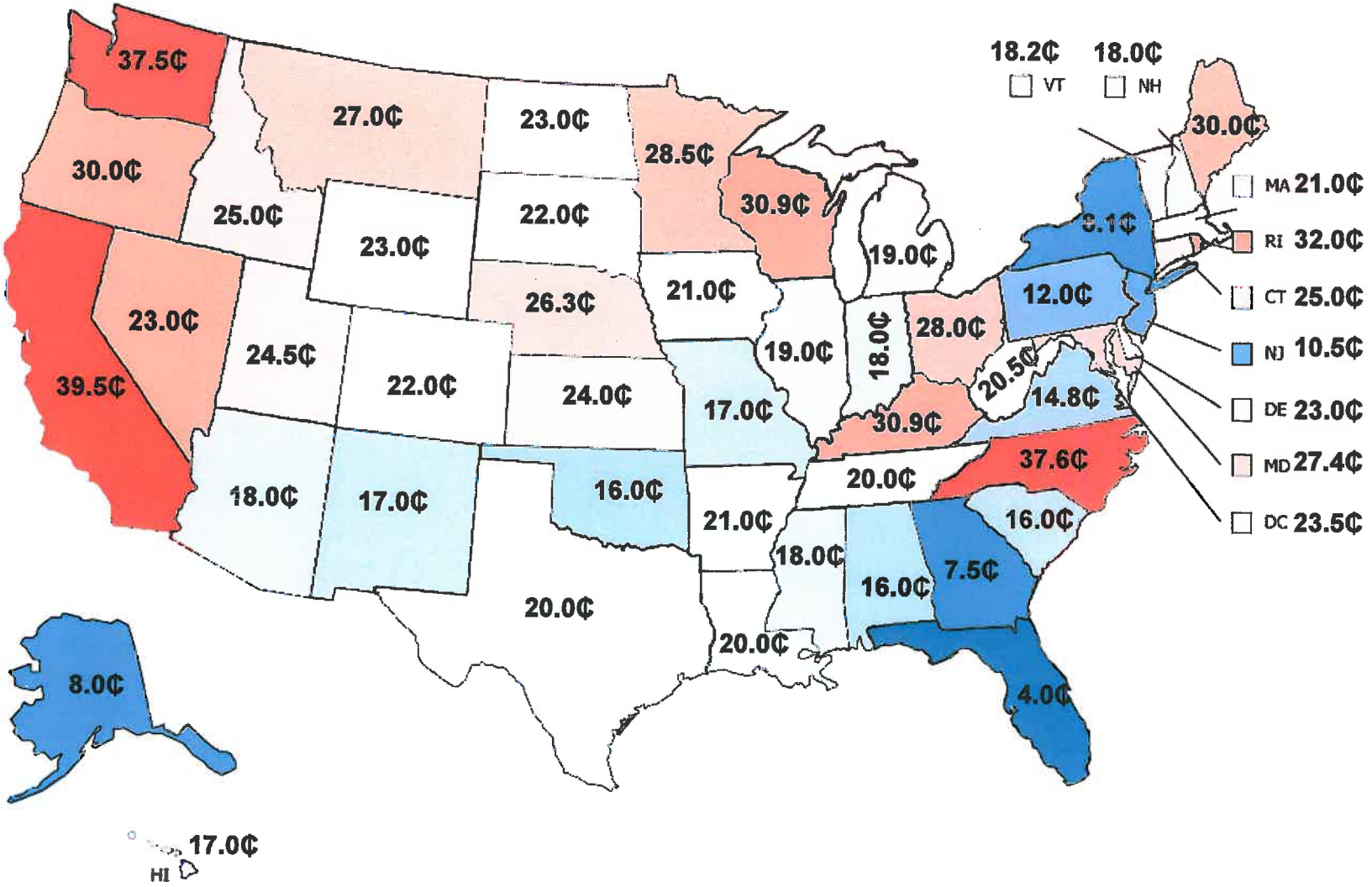


*Preliminary ADOT numbers ** ADOT FY14 Projections

Gasoline Excise Tax By State

Top Rates	
KY	30.9
OR	30.0
ME	30.0
MN	28.5
OH	28.0

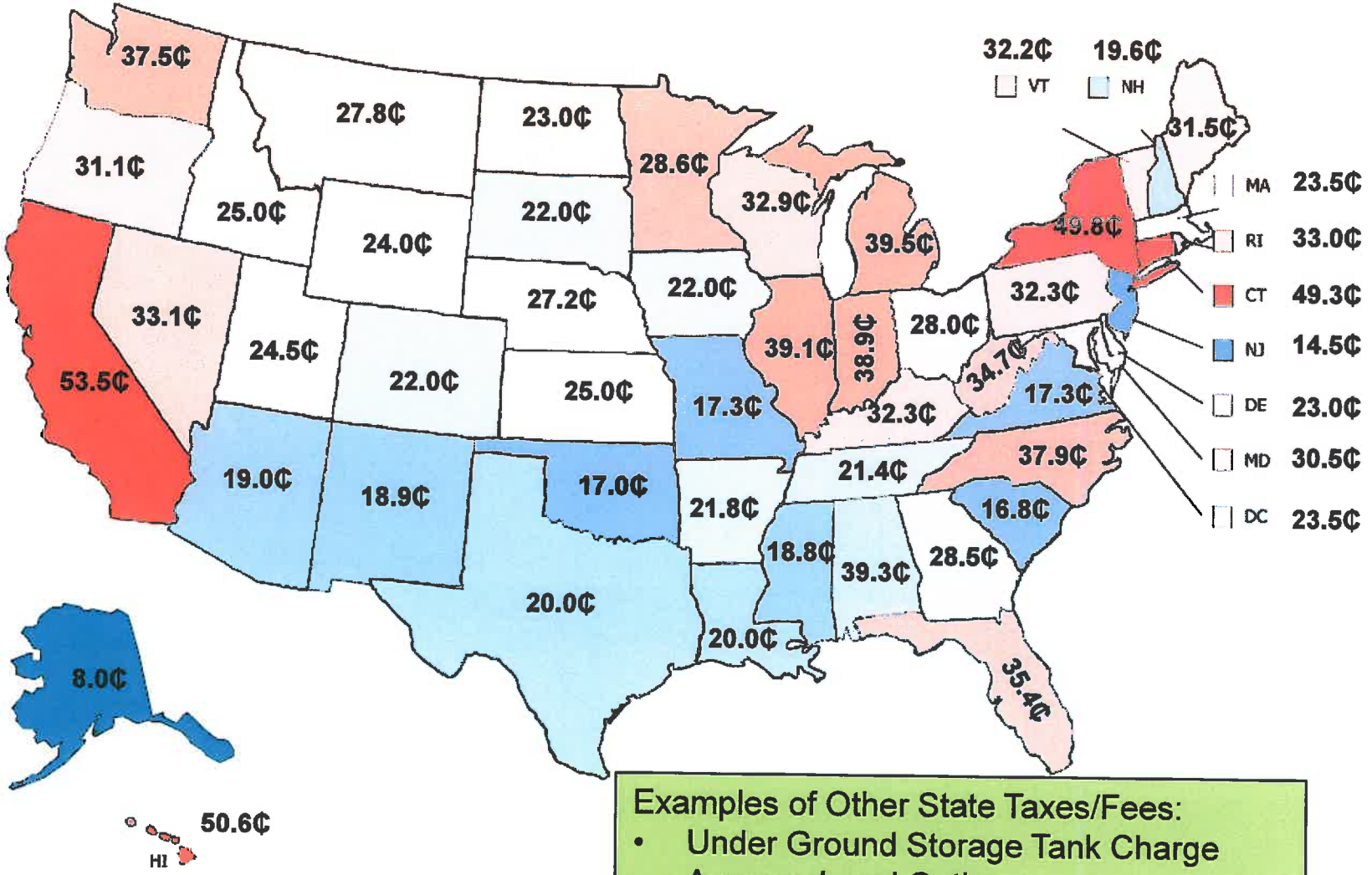
Low Rates	
FL	4.0
GA	7.5
AK	8.0
NY	8.1
NJ	10.5



Total Gasoline Tax By State

Top Rates	
CA	53.5
HI	50.6
NY	49.8
CT	49.3
MI	39.5

Low Rates	
AK	8.0
NJ	14.5
SC	16.8
OK	17.0
VA	17.3



Examples of Other State Taxes/Fees:

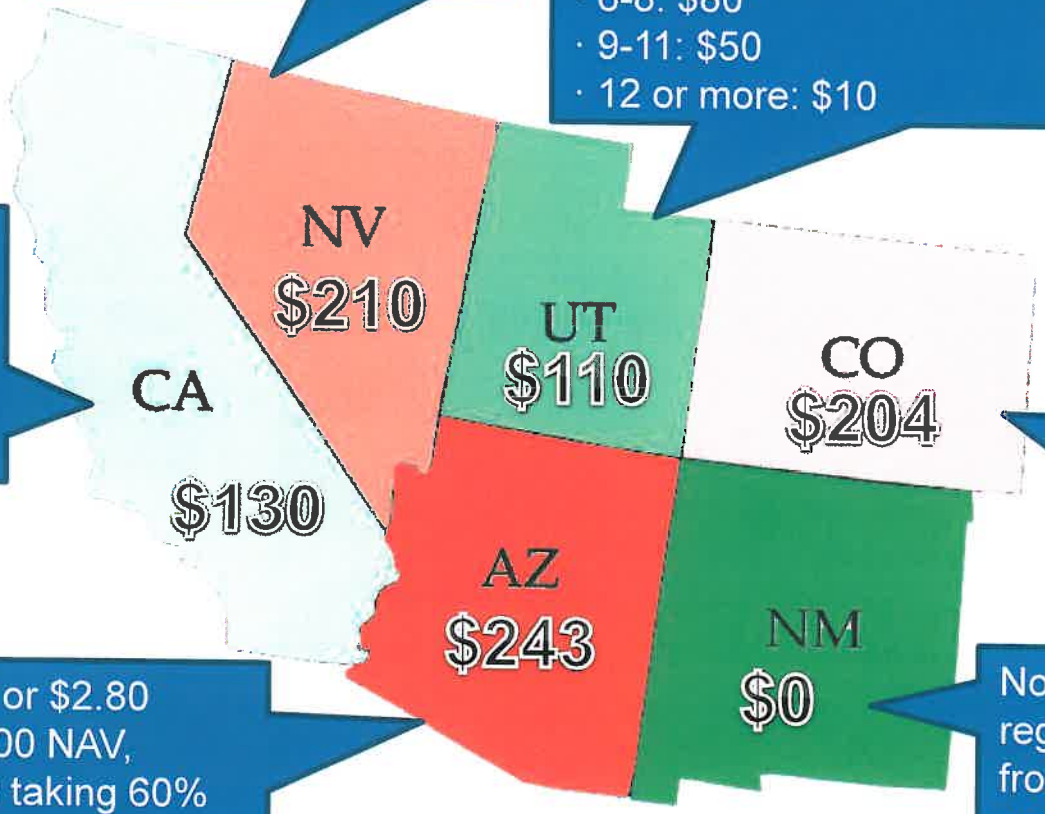
- Under Ground Storage Tank Charge
- Average Local Option
- Environmental Fees

VLT (In-Lieu) Comparison

Numbers reflect estimated tax on a 3 year old $20,000 Car

4% of 75% of original MSRP (valuation), depreciated every year

Fee Schedule based on the age of the vehicle:
- Less than 3: $150
- 3-5: $110
- 6-8: $80
- 9-11: $50
- 12 or more: $10



0.65% of Current Market Value (as determined by the Dept. of Transportation)

Variable rate (0.45% to 2.10%) of 85% on the original MSRP

$2.89 (used) or $2.80 (new) per $100 NAV, calculated by taking 60% of the manufacture's base retail price and reducing it by 16.25% each year

No "in-lieu" tax but registration fees range from $27.00-$62.00 based on weight and model year

Revenue Raising Options

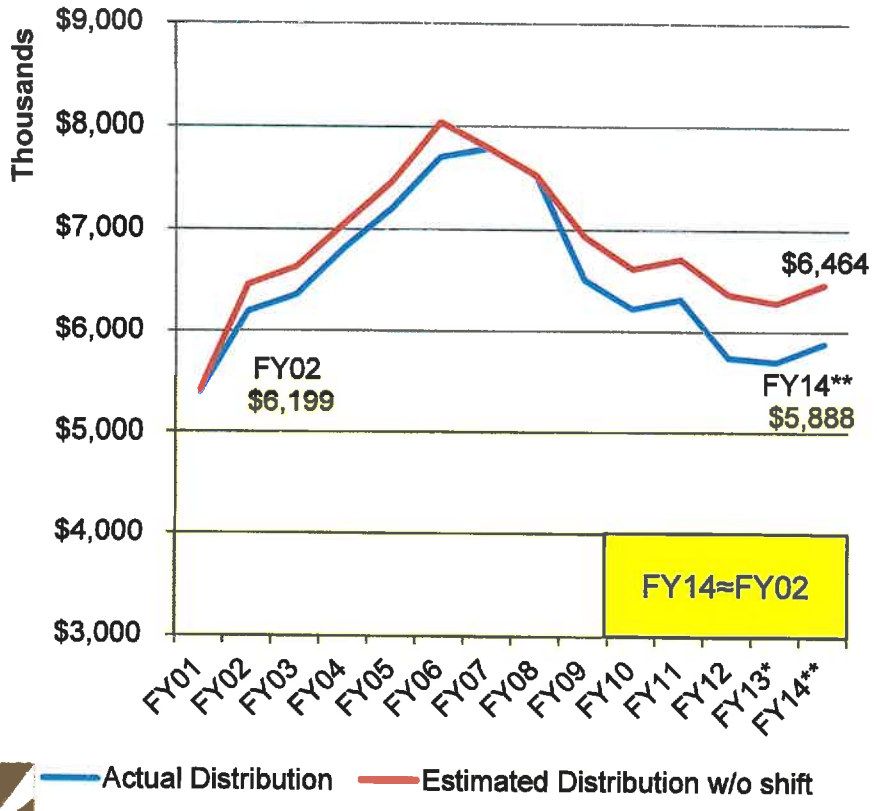
Revenue Raising Options	Examples
• Increase in the Motor Fuel Excise Tax (cents per gallon)	• Wyoming passed a 10cpg increase
• Increase Vehicle Registration Fee (flat fee for registration) and/or Vehicle License Tax (fix rate based on the assessed value of the vehicle)	• Virginia added a $64 registration fee for alternative fuel vehicles
• Index the Motor Fuel Excise Tax to adjust for Inflation	• A portion of Florida's excise tax is indexed to the Consumer Price Index (CPI)
• Local Option (local governments levy a gas excise tax)	• Florida localities can charge up to 0.06cpg or transportation needs

Revenue Raising Options (cont.)

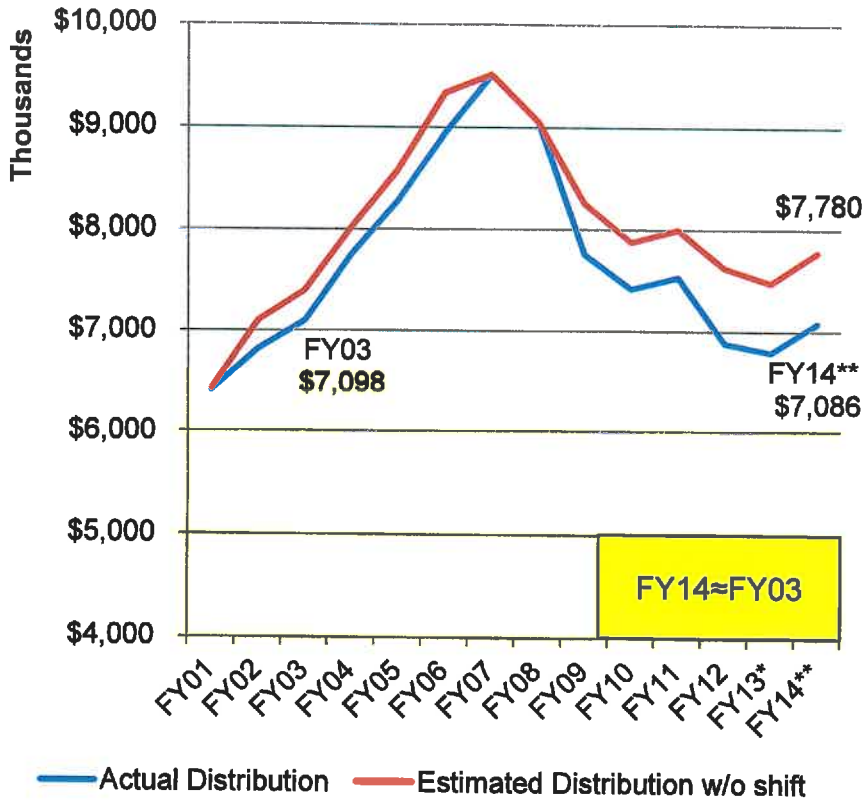
Revenue Raising Options	Examples
• Institute a Value Capture Revenue model (assessing parcels receive a benefit from a project)	• Connecticut State law allows for an assessment district for Value Capture Revenue
• Vehicle-Miles Traveled (VMT) fees (tax the miles traveled based on weight)	• Oregon completed a Road User Fee Pilot Program in 2007, a tax was levied based on weight and miles driven, which The tax was paid at the pump
• Sales Tax (tax the total purchase price)	• Virginia passed legislation that eliminates the gas tax and replaces it with a sales tax increase of 0.3% dedicated to transportation

Individual County HURF Distributions

Apache County HURF Distributions: Actual vs. Without Shift

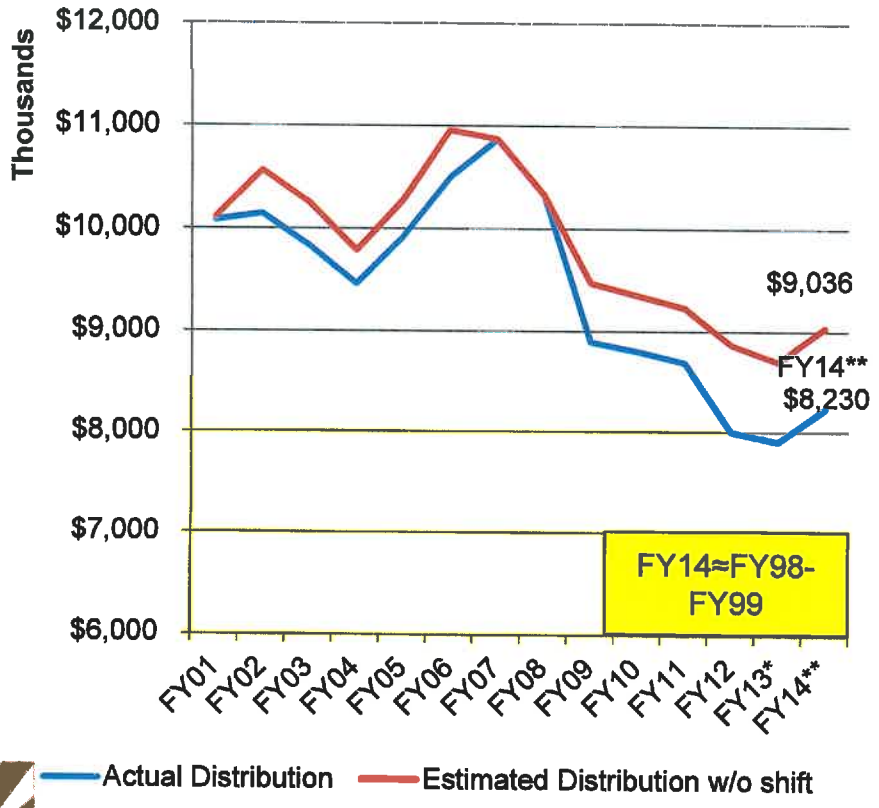


Cochise County HURF Distributions: Actual vs. Without Shift

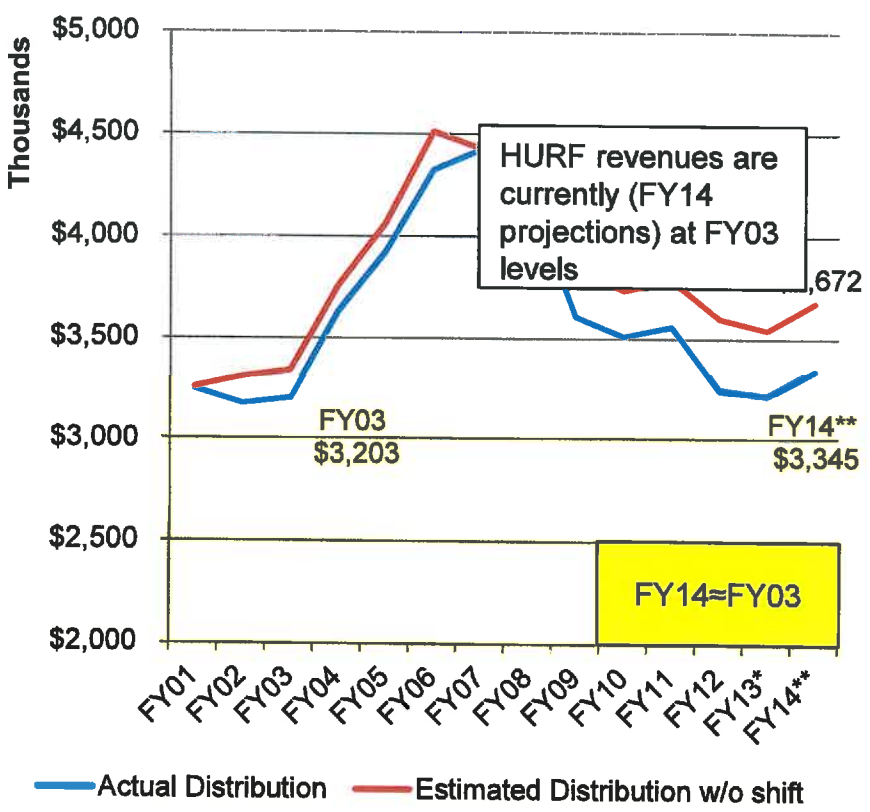


Individual County HURF Distributions

Coconino County HURF Distributions: Actual vs. Without Shift

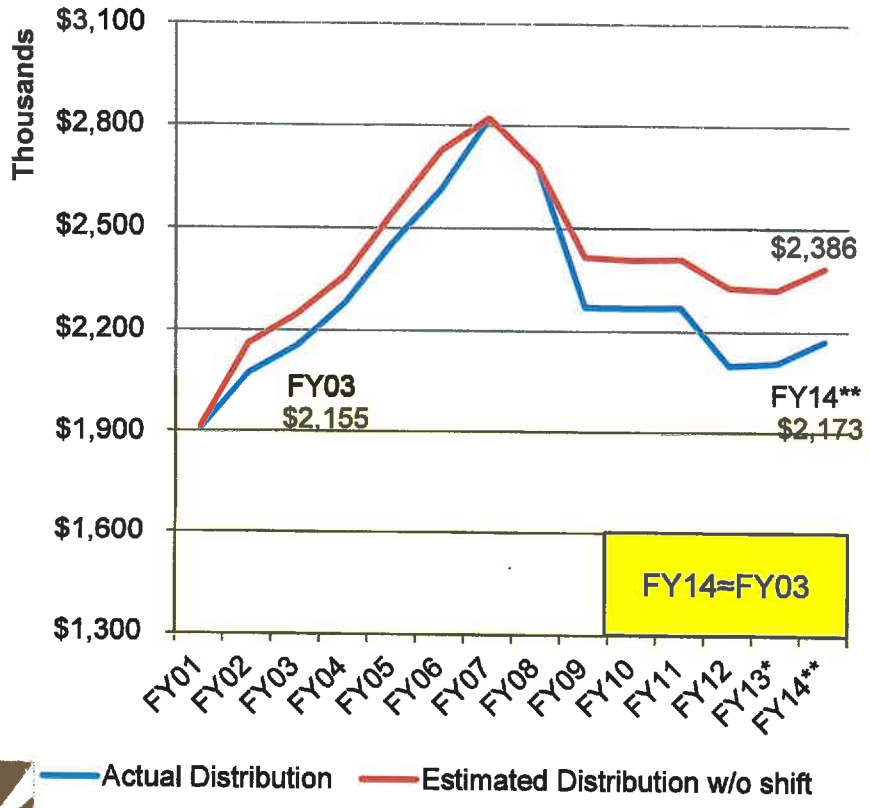


Gila County HURF Distributions: Actual vs. Without Shift

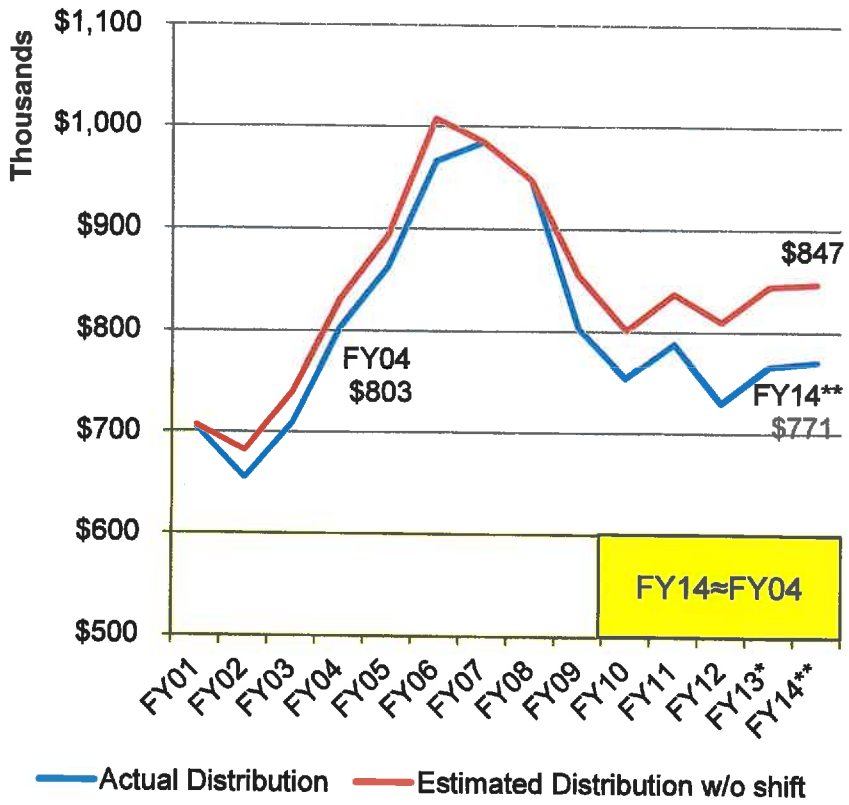


Individual County HURF Distributions

Graham County HURF Distributions: Actual vs. Without Shift

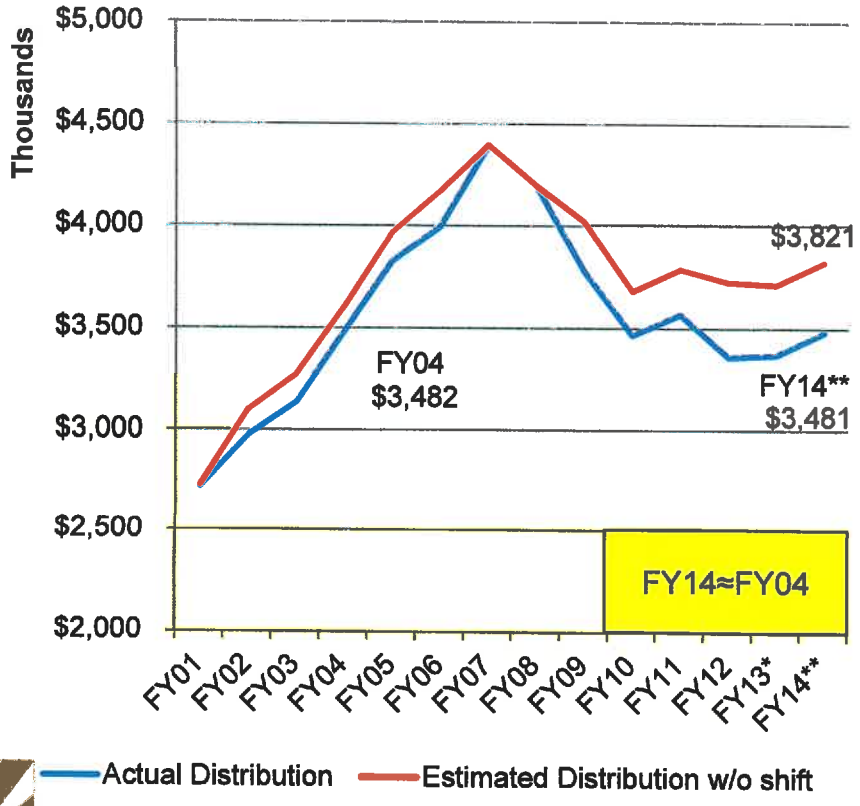


Greenlee County HURF Distributions: Actual vs. Without Shift

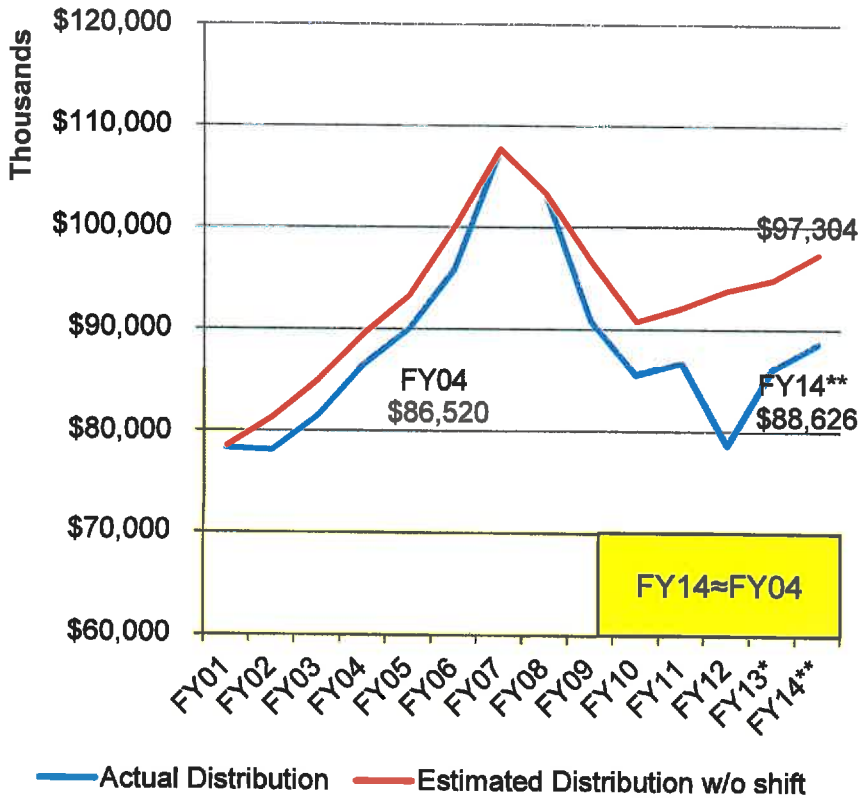


Individual County HURF Distributions

La Paz County HURF Distributions: Actual vs. Without Shift

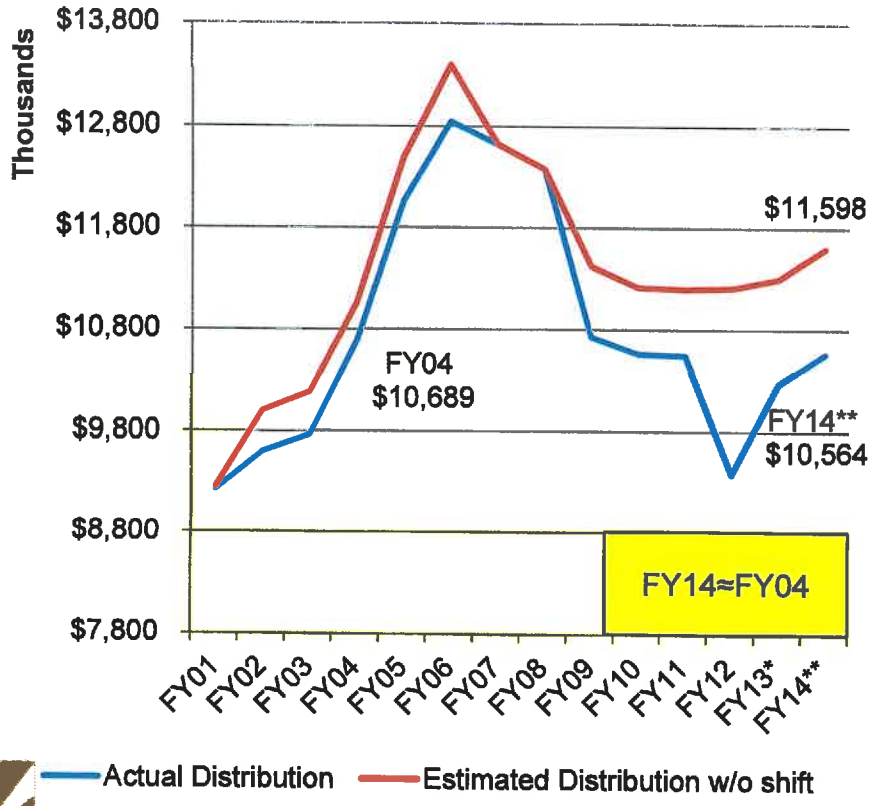


Maricopa County HURF Distributions: Actual vs. Without Shift

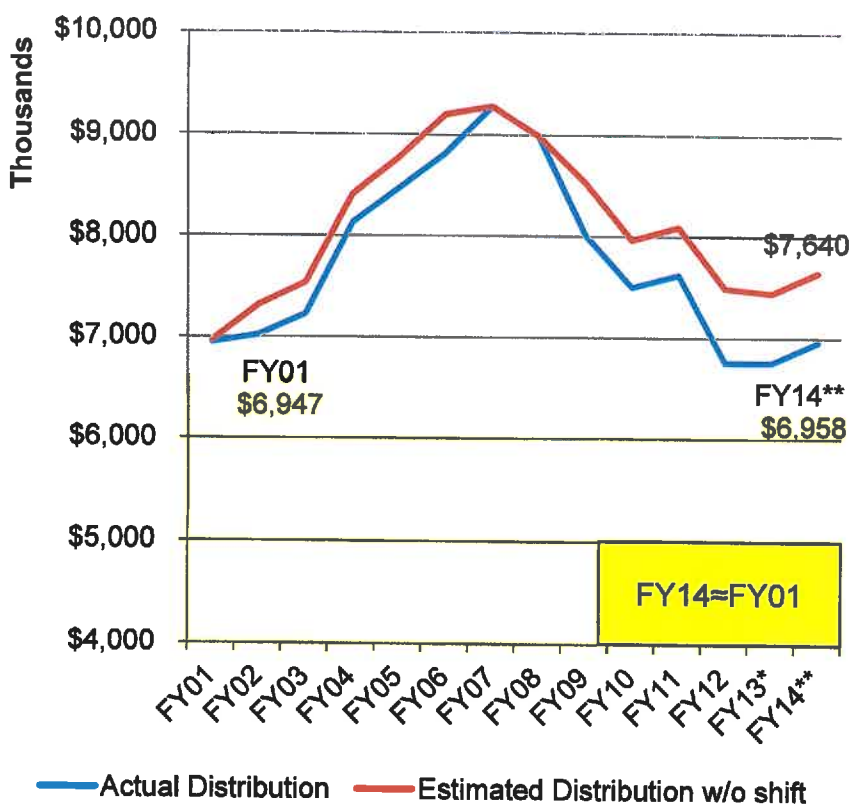


Individual County HURF Distributions

Mohave County HURF Distributions: Actual vs. Without Shift

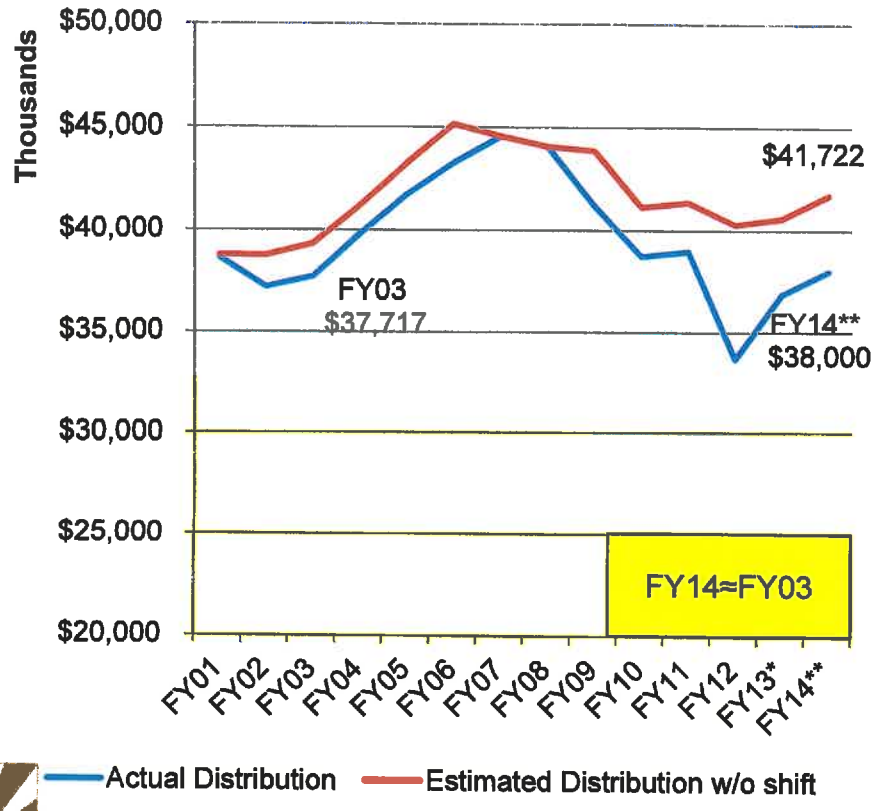


Navajo County HURF Distributions: Actual vs. Without Shift

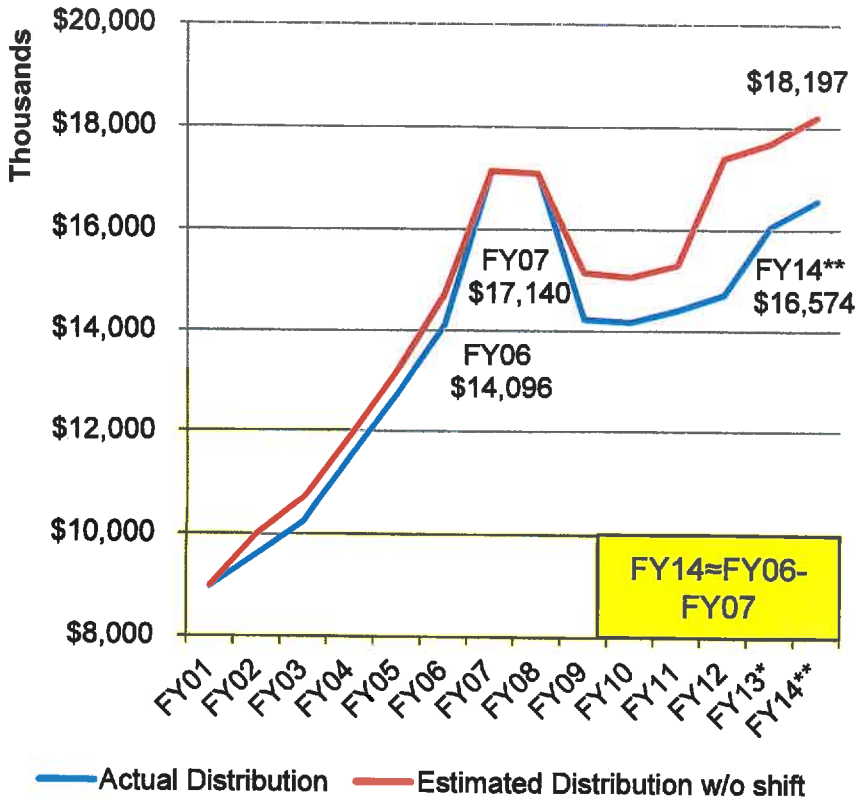


Individual County HURF Distributions

Pima County HURF Distributions: Actual vs. Without Shift

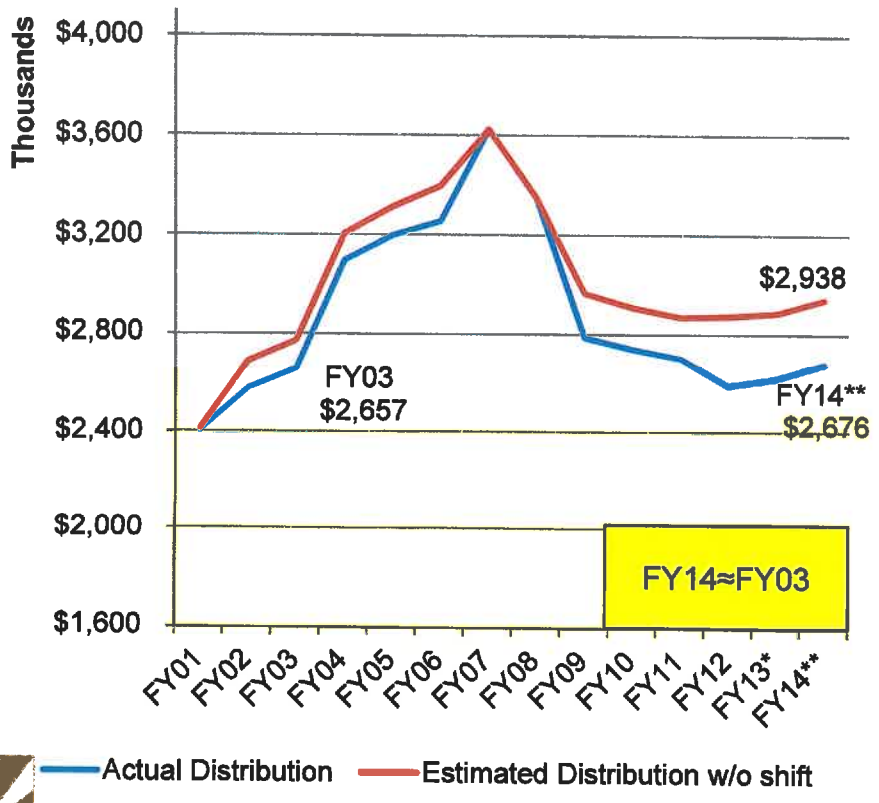


Pinal County HURF Distributions: Actual vs. Without Shift

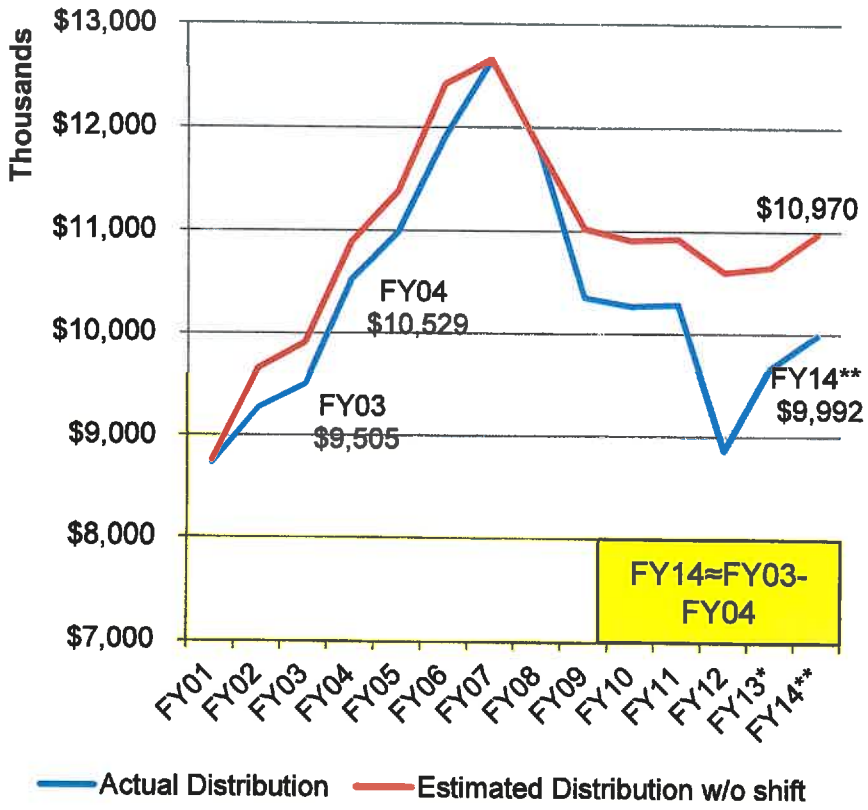
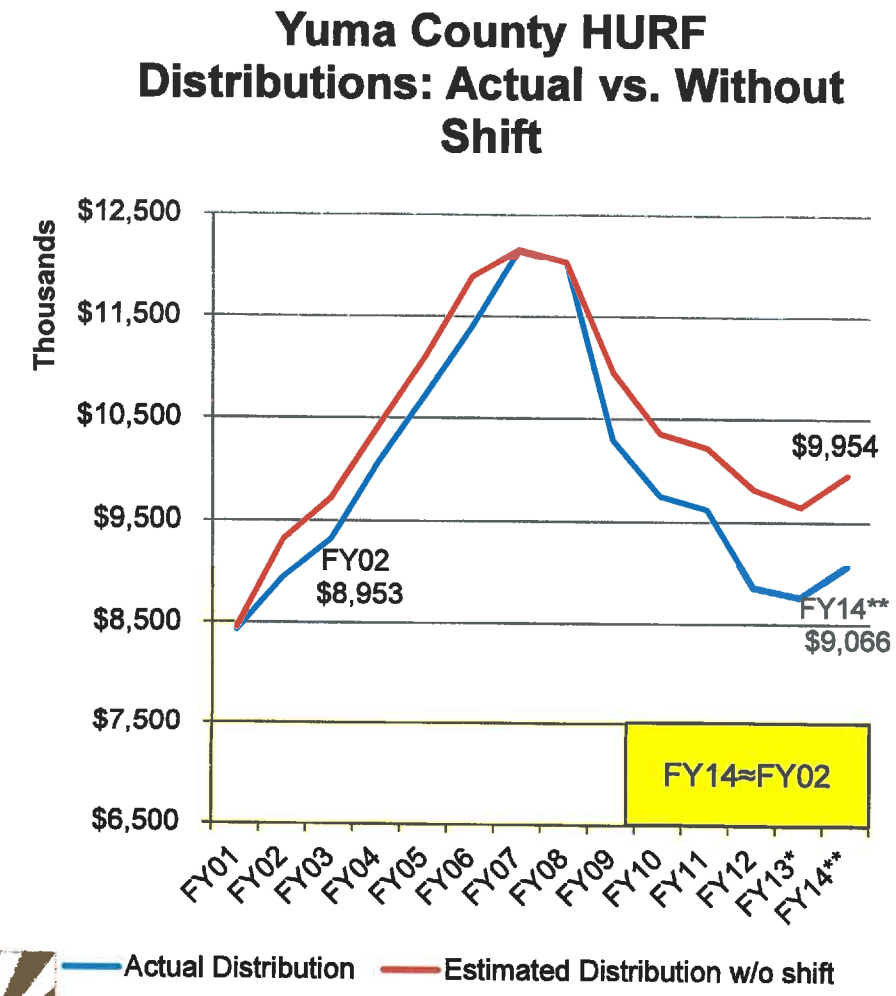


Individual County HURF Distributions

Santa Cruz County HURF Distributions: Actual vs. Without Shift



Yavapai County HURF Distributions: Actual vs. Without Shift



Individual County HURF Distributions