



MEMORANDUM

Date: December 10, 2018

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

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to be "CHH", is written over the printed name "C.H. Huckelberry".

Re: **Highway User Revenue Fund Distribution Model**

Supervisor Miller's staff has recently inquired regarding the distribution and flow of funds associated with the Highway User Revenue Fund (HURF). Attached is the distribution model associated with the flow and distribution of HURF and its various components.

If you have any questions regarding this subject, please contact my office.

CHH/anc

Attachment

c: Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Ana Olivares, Director, Transportation Department

ARIZONA DEPARTMENT OF TRANSPORTATION

FY 2018 HURF ACTUAL REVENUE DISTRIBUTION FLOW

(Millions of Dollars)

NOTES:

- /1. Arizona Revised Statutes 28-5926 and 28-5927 transfer 1.6 percent of gas tax revenues to the State Lake Improvement Fund (SLIF) and 0.55 percent of gas tax revenues to the Off-Highway Vehicle Recreation Fund (OHVRF). The \$527.4 million of gas tax revenue is before of a total \$11.3 million transferred to the above two funds.
- /2. In FY 2018, \$656,100 was appropriated to MVD for the vehicle registration enforcement and 3rd party programs.
- /3. The \$99.4 million appropriation to DPS in FY 2018 has been netted of a \$0.1 million reversion from DPS to HURF for unused FY 2017 appropriations.
- /4. Starting in FY 2015, special off-the-top distributions to cities, towns and counties have been made each fiscal year. Laws 2016, 2nd Regular Session, Chapter 125 (HB 2708) distributes \$30.0 million to cities, towns and counties in FY 2018. Actual FY 2018 distributions: 1. Cities over 300,00 persons - \$1.6 million, 2. Cities/Towns - \$14.4 million, 3. Counties over 800,000 persons - \$4.0 million, 4. Counties - \$10.0 million. Counties over 800,000 persons distribution was deposited into the MAG and PAG 12.6% accounts within the State Highway Fund.
- /5. Laws 2011, 1st Regular Session, Chapter 28 (SB 1616) transfers from the State Highway Fund share of VLT generated the difference in the two-year and five-year VLT to the state general fund which totaled \$1.8 million. Laws 2010, 7th Special Session, Chapter 12 (HB 2012) an amount equal to 90 percent of the fees collected under 28-4802 (A) and 60 percent of the fees collected under 28-4802 (B) shall be transferred from the State Highway Fund share of VLT to the State General Fund which totaled \$6.3 million.
- /6. Per Arizona Revised Statutes 28-5808, 1.51 percent of the State Highway Fund share of HURF VLT is distributed to the DPS Parity Compensation Fund.
- /7. The 12.6% (statutory) and 2.6% (non-statutory) allocations from the State Highway Fund share of HURF distributions.
- /8. Revenues to the State Highway Fund are reduced by the amount retained by Authorized Third Parties for the collection of VLT.

