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# MEMORANDUM

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Date: February 27, 2018

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

From: C.H. Huckelberry  
County Administrator 

Re: **Counties that Use their General Fund Excise Tax for Road and/or Highway Purposes**

Of the 15 counties in Arizona, six use excise (sales) taxes for road or highway purposes. The attached summary indicates which counties and how much of their excise tax has been allocated to highway, road and transportation purposes, and whether the excise tax is a general excise tax allocated to transportation or a dedicated excise tax for transportation purposes.

Three counties have a dedicated excise tax for road and/or highway purposes. For example, Coconino County dedicates \$11.8 million for road and transportation purposes from their excise tax. Pinal County, which also has a Regional Transportation Authority excise tax, dedicates an additional \$7.6 million for transportation.

Clearly, many counties in Arizona already levy an excise or sales tax for transportation purposes. Also, to put into perspective tax issues and how they are often distorted from county to county, the attached summary includes a depiction of the Maricopa County Health District which taxes its residents \$109 million for the health district that was converted to a secondary property tax by special legislation approved by the Legislature. Pima County continues to pay for our hospital contributions through the property tax primary levy at \$15 million per year. Given the population multiplier, this tax burden for the Maricopa County Health District is almost two times greater on a per capita basis than the tax burden in Pima County.

CHH/anc

Attachment

c: Jan Leshar, Chief Deputy County Administrator  
Tom Burke, Deputy County Administrator for Administration  
Carmine DeBonis, Jr., Deputy County Administrator for Public Works  
Nicole Fyffe, Executive Assistant to the County Administrator  
Ana Olivares, Director, Transportation Department

ROAD/TRANSPORTATION FUND SOURCES		
	GENERAL FUND MONIES USED	ROAD FUND EXCISE TAX MONIES USED
Apache	\$ -	\$ -
Cochise <sup>1</sup>	300,000	-
Coconino <sup>2</sup>	-	11,800,000
Gila <sup>3</sup>	-	1,365,000
Graham	-	-
Greenlee <sup>1</sup>	900,000	-
La Paz	-	-
Maricopa	-	-
Mohave	-	-
Navajo	-	-
Pima	-	-
Pinal <sup>4</sup>	-	7,600,000
Santa Cruz	-	-
Yavapai <sup>5</sup>	7,060,273	-
Yuma	\$ -	\$ -

MARICOPA COUNTY HEALTH DISTRICT TAX LEVY			
	RATE	LEVY	HEALTH DISTRICT TAXES PER CAPITA
M&O	\$ 0.1931	\$ 73,820,558	\$ 17.49
Bonds	0.0920	35,191,536	8.34
Total District	\$ 0.2851	\$ 109,012,094	\$ 25.83
Population	4,219,631		

Footnotes:	
<sup>1</sup>	General Fund monies come from County General Excise Tax in addition to HURF & VLT monies already supporting County's Road Fund. Amounts listed above are generated by County General Excise Tax and allocated to respective County Transportation Fund.
<sup>2</sup>	Coconino stated that 50% of Road Fund revenues are generated by 0.30% County Road Excise Tax while other 50% is covered by HURF & VLT monies. County employee stated \$23.6M in revenues for Road Fund for FY18. \$11.8M listed above is the total Road Excise Tax revenue.
<sup>3</sup>	Gila's 2018 county budget reflects \$1.365M generated for the County, from the Countywide 0.50% Road Excise Tax, which also shares revenue with the cities & towns in Gila County.
<sup>4</sup>	Pinal's 2018 county budget reflects \$7.6M generated from County Road Excise Tax. ADOR reports Pinal County Road Excise Tax revenues at \$15,650,739. The \$7.6M for Pinal County is the net of distributions to cities & towns within Pinal.
<sup>5</sup>	Yavapai dedicates 40% of 1/2 cent County General Excise Tax to Regional Road Fund. \$7,060,273 represents the 40%.
* Any dollar amounts listed under "Road Fund Excise Tax Monies Used" is exclusively generated from that county's Road Excise Tax	