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# MEMORANDUM

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Date: June 28, 2013

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

From: C.H. Huckelberry  
County Administrator 

Re: **Fact Sheet Regarding Statewide Gas Tax Increase**

In approving the recent transportation funding report, the Board of Supervisors supported petitioning the State Legislature for a statewide gas tax of up to 10-cents-per-gallon. I am attaching some statewide facts that underscore the urgency of increasing revenues to the Highway User Revenue Fund (HURF) through a gas tax increase.

The most startling fact we know from revenues that accrued to Pima County through HURF, is that the statewide HURF has essentially been static over the last 10 years. In total, \$1.2 billion in 2004 and, 10 years later in 2013, it is \$1.2 billion and that is before legislative HURF diversions occurred to balance the State Budget.

During the same period of approximately 10 years, the construction cost index increased 38 percent, meaning that the HURF revenues of 2004, now being spent in 2013, have 38 percent less purchasing power.

Adding to flat revenues and decreased purchasing power are legislative sweeps. Since 2004, these sweeps total over \$1 billion, \$546 million taken from state highways, \$163 million taken from cities and towns and \$101 million taken from counties.

An increase of 10-cents-per-gallon in the Arizona State Gas Tax would result in \$334 million of new revenue. It should be noted that the gas tax only makes up a portion of the HURF; hence, a 10-cents-per-gallon increase in gas tax only increases state HURF revenues by approximately 27 percent.

If the gas tax was increased 10-cents-per-gallon, our region would achieve an increase in transportation revenue of \$32.3 million per year. Given the current distribution formulas, the increase for Pima County would be \$11.3 million per year.

The attached fact sheet is a relatively simple method of conveying the urgency to increase transportation revenues statewide.

CHH/dph

Attachment

c: Martin Willett, Chief Deputy County Administrator  
John Bernal, Deputy County Administrator for Public Works  
Priscilla Cornelio, Director, Transportation Department

# Raise the Statewide Gas Tax up to 10¢ per Gallon

## Gas Tax Last Raised in 1991 or 23 Years Ago

	State Gas Tax	Price per Gallon	%
1991	18¢	77¢	24%
2013	18¢	\$3.60	5%

## Statewide Revenues Available for Transportation Flat for 10 Years

	2004	2007	2013
HURF	\$1,179,561,000	\$1,382,474,000	\$1,203,500,000

## Construction Cost Index has Increased 38% Since 2004

Engineering News Record CCI Index      2004 – 6825      2013 – 9437      38% increase

## State Legislature has diverted HURF to balance state budget further reducing transportation funding.

Sweeps Since 2004 - **\$1,068,260,000**

## Legislative Sweeps hurt State, City and County Transportation Funds:

State Highways	<b>\$546,534,000</b>
Cities and Towns	<b>\$163,114,000</b>
Counties	<b>\$101,612,000</b>

## Increasing the Statewide Gas Tax 10¢ per gallon would allow Arizona gas tax to be the equivalent of the surrounding states:

Arizona	<b>18¢</b>
California	39.5¢
Nevada	23¢
Utah	24.5¢
Colorado	22¢
New Mexico	17¢
Average of Surrounding States	<b>26¢</b>

## 10¢ per Gallon Gas Tax Increase

**\$334,129,680** New HURF Revenues per Year

## Pima County Region would see increased transportation revenues per year.

**\$32,300,000** per year

## Pima County would see an increase of:

**\$11,300,000** per year