



MEMORANDUM

Date: November 17, 2014

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

From: C.H. Huckelberry
County Administrator 

Re: **Material Submitted by District 1 as Additional Information for the November 18, 2014 Board of Supervisors Agenda Items 7 and 18 and Addendum Item 3**

The following information relates to materials submitted by District 1 for the November 18, 2014 Board of Supervisors Agenda Items 7 and 18 and Addendum Item 3.

Slide 1 is entitled *Tax Revenue Collected by Supervisorial District*. Please note this information is for property taxes. The discussion before the Board of Supervisors regarding transportation relates to increasing the statewide gas tax. Property taxes collected locally by district do not relate to transportation needs or funding.

Slide 2 shows the number of road miles by district and the \$5 million General Fund allocation for Fiscal Year (FY) 2013/14.

Slide 3 shows the pavement preservation percentage, distributed by District, for FY 2013/14. If our Department of Transportation's (PCDOT's) recommendation for distribution of the FY 2014/15 \$5 million General Fund pavement preservation allocation, with which I concur, is approved by the Board, the percentage by District will be as shown in the table below; dramatically different than last year.

**PCDOT Recommended FY 2014/15 \$5 Million
General Fund Allocation.**

District	Recommended Amount	Percentage of Total Allocation
1	\$1,968,877	39.2
2	315,150	6.3
3	1,036,094	20.6
4	1,253,167	25.0
5	448,448	8.9
Total	\$5,021,736	100.0

The Honorable Chair and Members, Pima County Board of Supervisors
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Slide 4 – no comments.

Slide 5 – The implication is that Highway User Revenue Funds (HURF) must be used only for the direct cost of maintaining and repairing public roads. Senate Bill 1487 relates only to the \$30 million of HURF reinstated from prior legislative diversions and has nothing to do with the aggregate collection of HURF and the use of these funds.

Slide 6 implies there is no correlation between our gas taxes and bad roads. This is incorrect unless there is specific knowledge regarding every funding source within each individual state for transportation. Some states have a sales tax on fuel sales, some have excise taxes, and others higher vehicle license taxes. Further, no correlation has been made between populations within states or the climatic conditions within each state that affect road maintenance. Slide 6 also indicates Arizona's gas tax is 19 cents; it is actually 18 cents. One cent of the tax per gallon is used to fund the Underground Storage Tank Program.

Slide 7 contains selective information and does not disclose that the average state and federal gas tax is 49 cents per gallon; ranging from a high of 69 cents in New York to a low of 31 cents in Alaska. In addition, the Institute on Taxation and Economic Policy has indicated state gas taxes are a less significant portion of a family's household budget than they have been in 80 years.

Slide 8 – This information is out of date, likely from 2012. For example, Wyoming roads are shown as the third best in the nation and with a gas tax of 14 cents per gallon. Last year, the Wyoming Legislature increased the gas tax by 10 cents per gallon. It is now at least 24 cents per gallon.

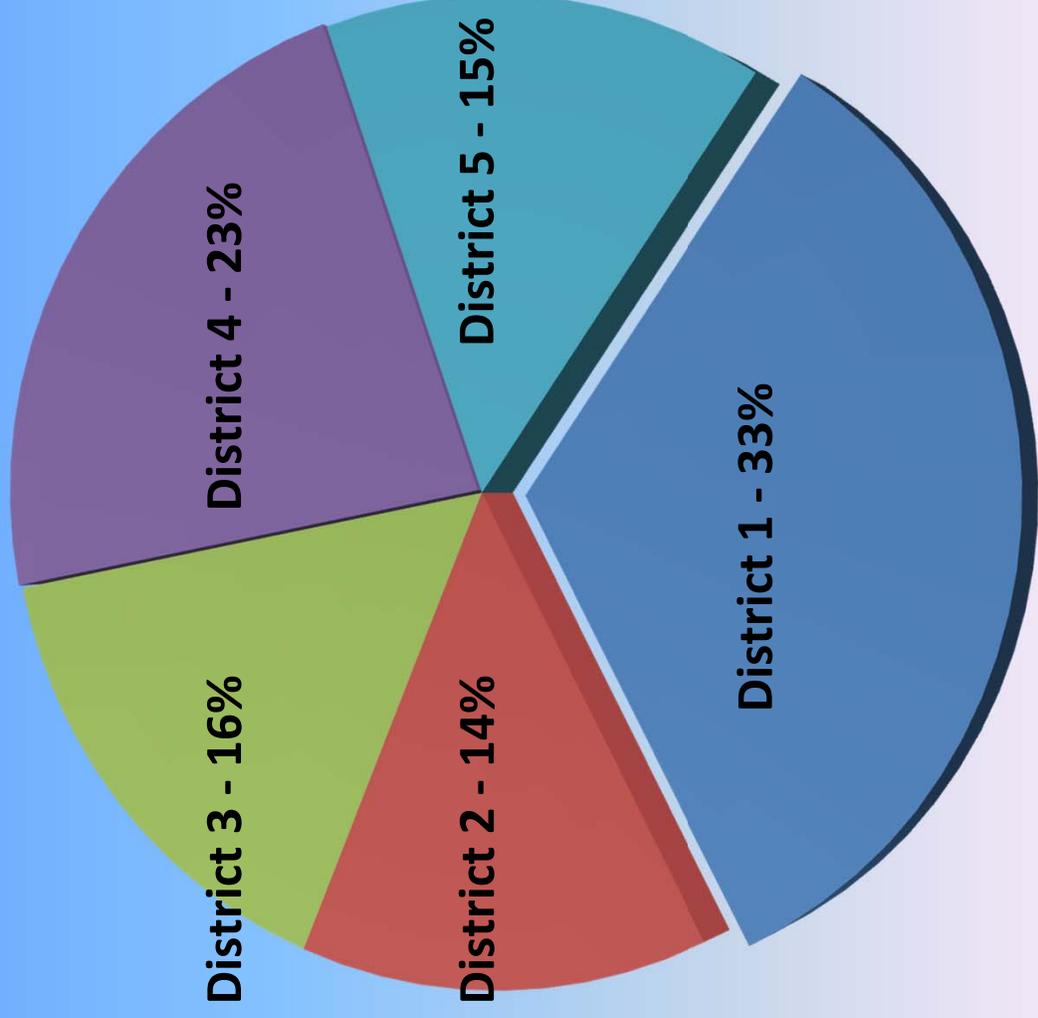
In summary, the materials provided are either outdated, misleading or incorrect.

CHH/anc

Attachments

c: John Bernal, Deputy County Administrator for Public Works
Priscilla Cornelio, Transportation Director

Tax Revenue Collected By District



Source: Ford, Beth 'property Tax Revenue Per District' 26 February 2014

Pima County Roads

Total Road Miles by District

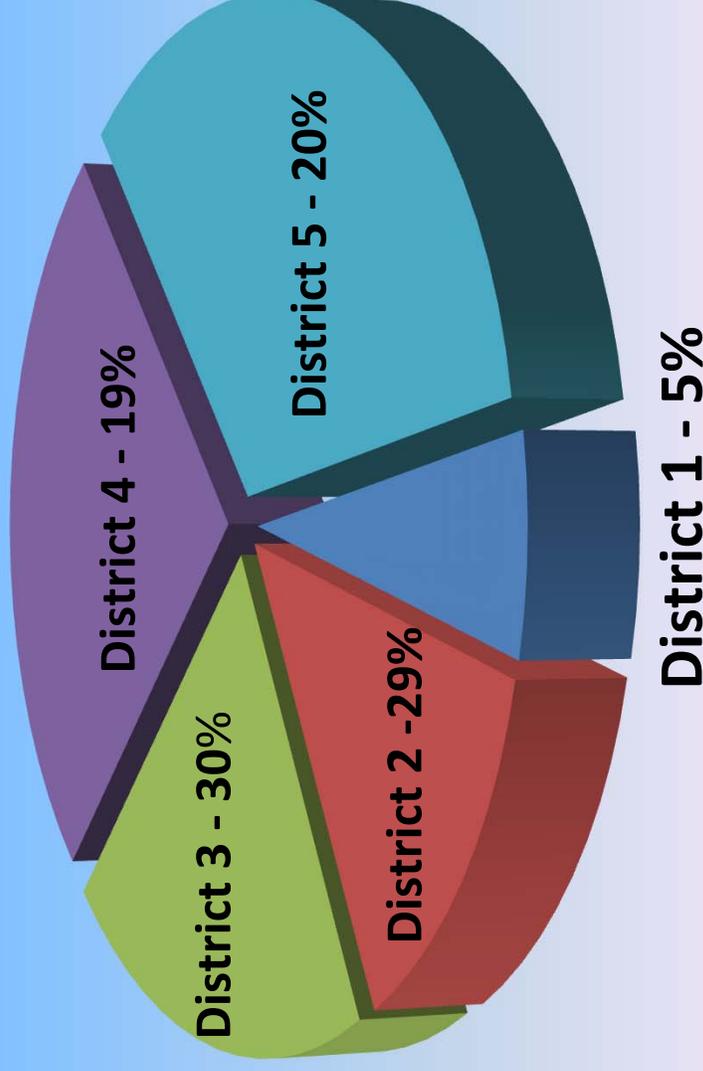
District	Total Road Miles	Dirt Roads	Paved Roads	\$ Spent on Pavement Preservation FY 2013/2014
1	618	27	604	\$312,781
2	123	8	122	\$1,784,710
3	694	176	588	\$1,706,352
4	557	75	503	\$1,192,689
5	143	2	146	\$1,241,743

Note: Total Paved and Dirt Roads under County maintenance are in excess of Total Road Miles per District as Pima County maintains some roadways in other jurisdictions under Intergovernmental Agreements.

Sources: Pima County Department of Transportation. March 2014.

Pavement Preservation % of Total Dollars Spent by District

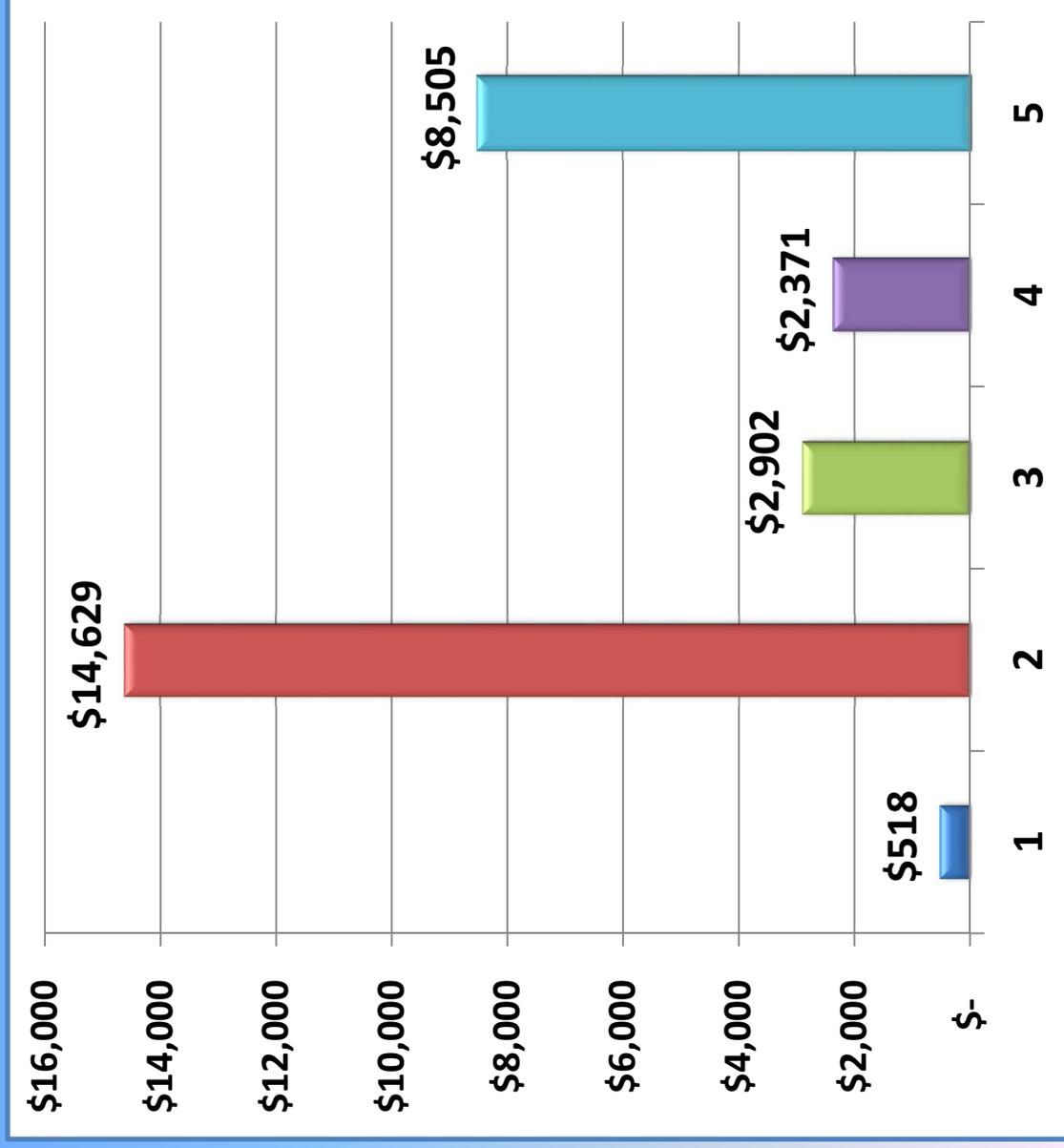
*A Pavement Preservation program consists primarily of three components: preventive maintenance, minor rehabilitation (non structural), and some routine maintenance activities.**



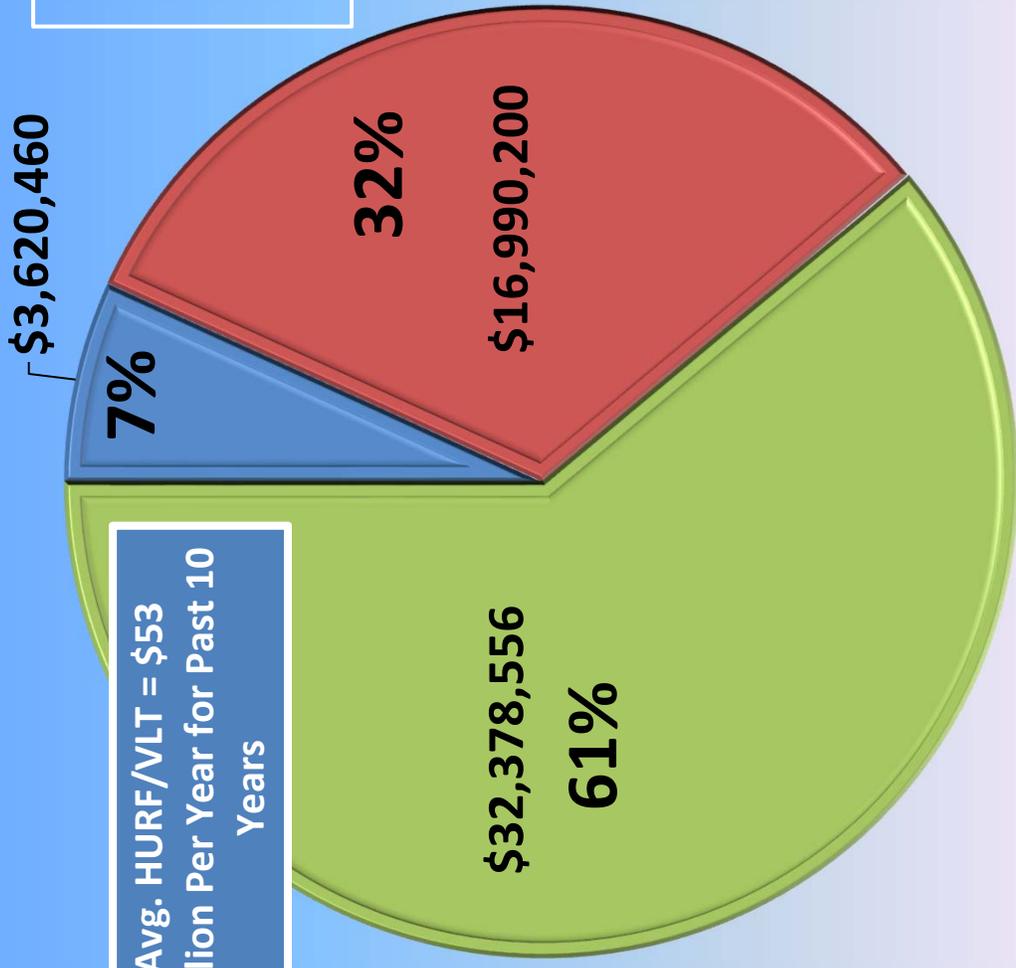
* Source: US DOT Memorandum September 2005

Average Spent Per Mile FY 13/14

- Although District 1 has more Paved Road Miles than any other District and pays 1/3 of all taxes in the County, Supervisors continue to sweep monies from District 1 for roads.
- Of the total roads in Pima County, 63% are in failed condition
- Of the total roads in District 1, 73% are in poor or failing condition



Highway User Revenue Funds (HURF)



Avg. HURF/VLT = \$53 Million Per Year for Past 10 Years

SB1487 mandates HURF revenues be used only for the direct costs of maintaining and repairing public roads, effective January 1, 2015.

- Amount of Legislative Sweeps
- Bond Payments Using HURF/VLT Revenue**
- Funds Available For Road Repairs

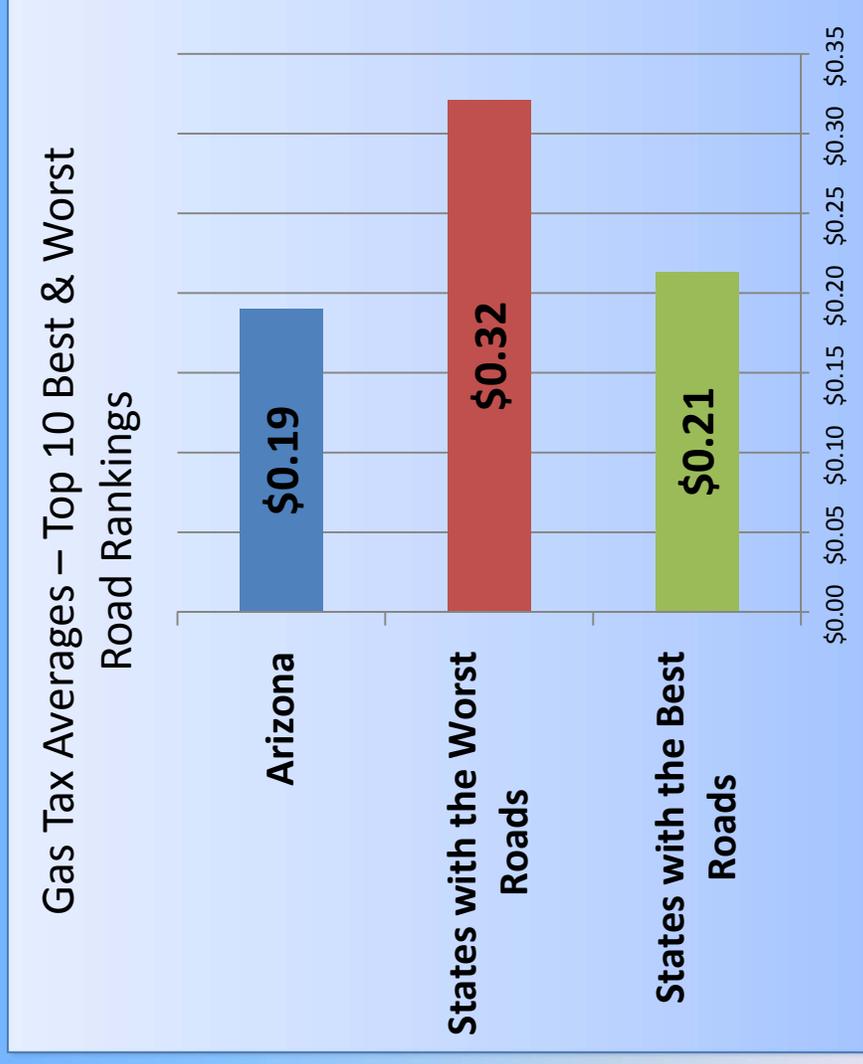
****32.4 Million Available Per Year for the last 10 years after sweeps & bond payments**

Source: HURF Data available on AZDOT Website

U.S. Road Rankings and Gas Tax

Of the 50 states, **Arizona is ranked #23** as having the best quality of roads

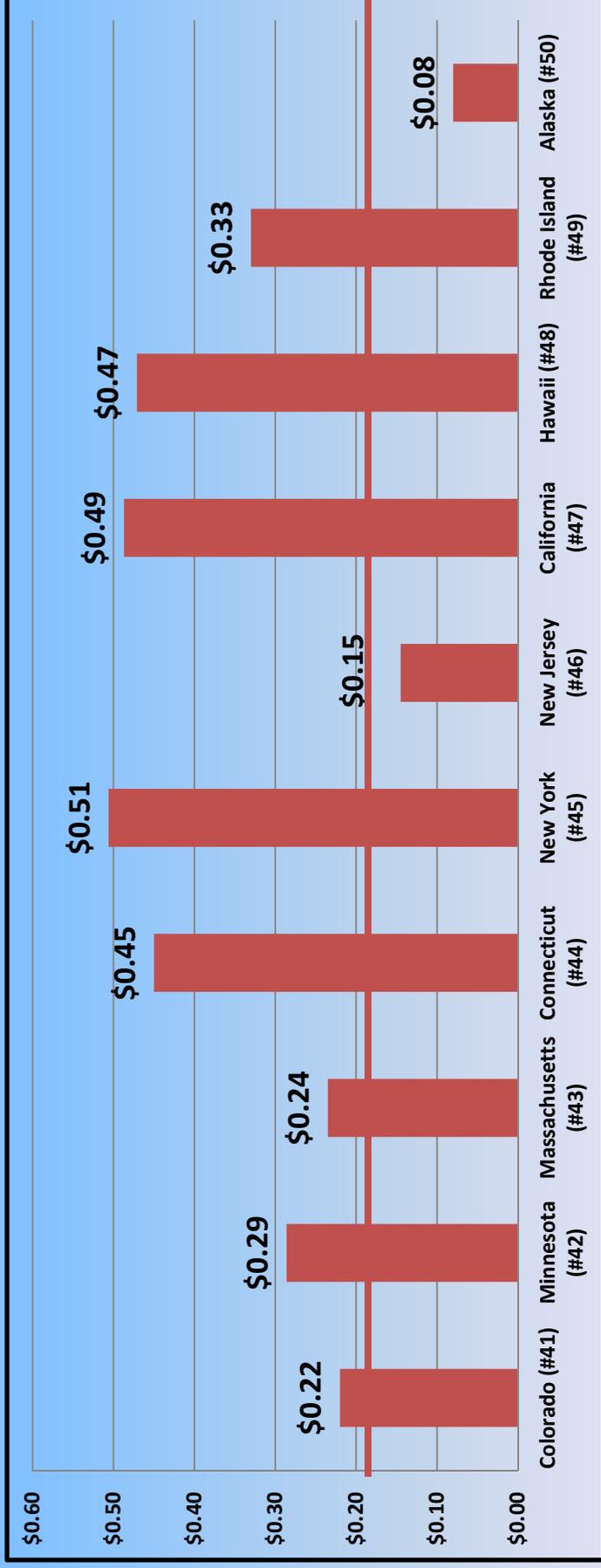
There is no correlation between having a higher gas tax and better roads.



Sources: Reason Foundation. "20th Annual Highway Report on the Performance of State Highway Systems." 2 July 2013.
Tax Foundation. "State Gasoline Tax Rates, 2009-2013." 21 March 2013.

Gas Tax Rate in the 10 States with the Worst Road Ranking

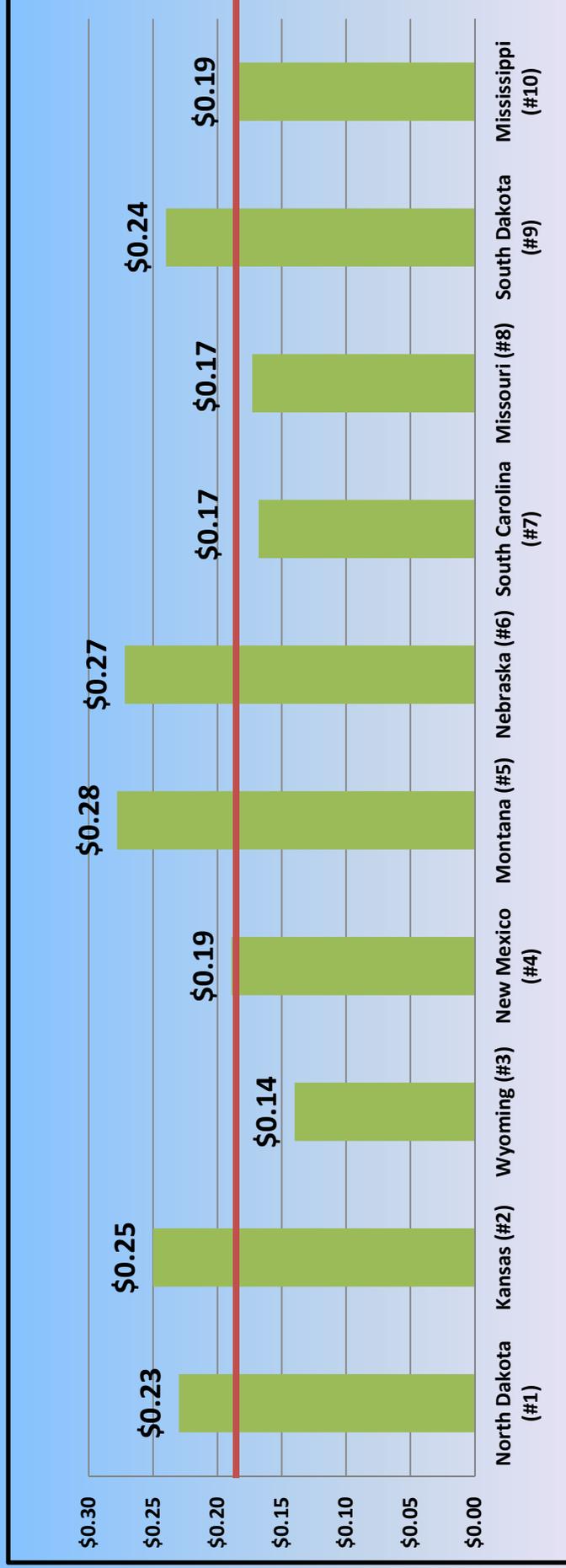
Average Gas Tax for States with the Worst Road Ranking	\$0.321
Arizona Gas Tax	\$0.19



Sources: Reason Foundation. "20th Annual Highway Report on the Performance of State Highway Systems." 2 July 2013.
 Tax Foundation. "State Gasoline Tax Rates, 2009-2013." 21 March 2013.

Gas Tax Rate in the 10 States with the Best Road Ranking

Average Gas Tax for States with the Best Road Ranking	\$0.2128
Arizona Gas Tax	\$0.19



Sources: Reason Foundation. "20th Annual Highway Report on the Performance of State Highway Systems." 2 July 2013.
 Tax Foundation. "State Gasoline Tax Rates, 2009-2013." 21 March 2013.