



MEMORANDUM

Date: February 17, 2016

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

From: C.H. Huckelberry
County Administrator *CHH*

Re: **Equitable Allocation of Highway User Revenue Funds Among Counties**

One of the primary reasons Pima County is unable to adequately fund pavement repair and maintenance is the inequitable distribution of Highway User Revenue Funds (HURF) among counties. The table below shows Arizona's 15 counties, their unincorporated populations and the value of their currently received HURF on a per capita basis.

Fiscal Year 2014/15 Per Capital HURF Revenue by County.

County	County HURF Revenue Allocation	Unincorporated Population, 2010 Census	Per Capita HURF Revenue	Per Capita Rank
Apache	\$ 6,396,769.27	61,192	\$104.54	14
Cochise	7,586,843.95	52,410	144.76	07
Coconino	9,040,356.54	53,567	168.77	04
Gila	3,529,256.10	25,602	137.85	08
Graham	2,293,193.03	20,402	112.40	12
Greenlee	880,475.57	4,430	198.75	03
La Paz	3,653,987.72	13,729	266.15	02
Maricopa	97,698,476.39	284,404	343.52	01
Mohave	11,543,436.75	75,230	153.44	06
Navajo	7,653,220.50	68,097	112.39	13
Pima	40,762,362.68	353,264	115.39	11
Pinal	18,291,170.86	187,517	97.54	15
Santa Cruz	3,216,374.35	25,670	125.30	10
Yavapai	10,918,936.01	83,782	130.33	09
Yuma	9,775,872.69	60,013	162.90	05
Statewide Total	\$233,240,732.41	1,369,309	\$158.27	

Statewide Average Per Capita County HURF Revenue = \$158.27.

Source for FY 2015 HURF = ADOT.

As can be seen, Pima County ranks near the bottom (11 out of 15 counties) of per capita HURF revenue among counties, with Maricopa receiving three times more HURF. A review of the capital improvement programs of Pima County versus Maricopa County indicates

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that Maricopa County has a funded a pavement repair and rehabilitation program from their receipt of HURF. Since Pima County has 80,000 more unincorporated residents than Maricopa County, it would be logical to conclude that Pima County receives the most HURF for road repair, maintenance, construction and operation. In reality, we receive one-third of what Maricopa County receives. Clearly, it is time to address the distribution formulas of the HURF among counties so that Pima County receives an equitable distribution of this tax revenue designed for the operation and maintenance of highways within the unincorporated county.

I have asked our lobbyist, Mr. Michael Racy, to request that members of the legislature introduce legislation that would reimburse each county, on an unincorporated per capita basis, the statewide average HURF distribution, which is \$158 per capita. Using such a formula, Pima County would see our HURF revenues increase by one-third. We would also request an equity redistribution formula such that excess funds are dedicated solely to street and highway pavement, repair and rehabilitation.

CHH/lab

c: Michael Racy, President, Racy Associates, Incorporated