



ARIZONA DEPARTMENT OF TRANSPORTATION
HIGHWAY USER REVENUE FUND
JUNE 2008
(DOLLARS IN THOUSANDS)

Monthly Revenue Trends

	FY 2007	FY 2008		FY 2008 /2	
	<u>Actual</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>
July	\$111,033	\$107,215	-3.4%	\$114,692	-6.5%
August	112,110	113,363	1.1%	114,745	-1.2%
September	111,056	111,550	0.4%	115,506	-3.4%
October	109,830	107,350	-2.3%	112,332	-4.4%
November	106,149	111,462	5.0%	114,160	-2.4%
December	116,379	116,481	0.1%	121,676	-4.3%
January	120,508	109,109	-9.5%	121,104	-9.9%
February	110,909	115,635	4.3%	124,169	-6.9%
March	125,718	115,514	-8.1%	126,642	-8.8%
April	119,642	116,888	-2.3%	129,102	-9.5%
May	114,620	110,760	-3.4%	120,219	-7.9%
June	124,522	109,150	-12.3%	125,853	-13.3%
Total /1	\$1,382,474	\$1,344,477	-2.7%	\$1,440,200	-6.6%

Revenue Trends By Category

Fiscal Year to Date

<u>Category</u>	FY 2007	FY 2008		FY 2008 /2	
	<u>Actual</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>
Gas Tax	\$497,702	\$492,536	-1.0%	\$505,200	-2.5%
Use Fuel Tax	210,282	207,859	-1.2%	212,400	-2.1%
Motor Carrier	45,226	40,177	-11.2%	48,100	-16.5%
Veh. Lic. Tax /3	393,497	385,186	-2.1%	422,200	-8.8%
Registration	177,788	162,765	-8.5%	189,400	-14.1%
Other	57,979	55,953	-3.5%	62,900	-11.0%
Total /1	\$1,382,474	\$1,344,477	-2.7%	\$1,440,200	-6.6%

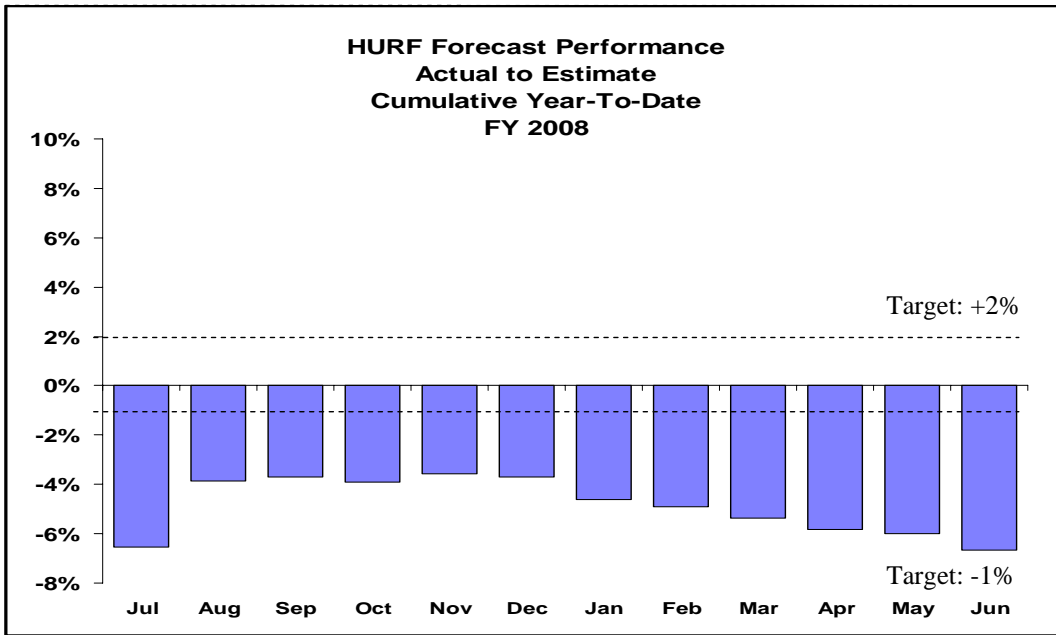
NOTES: /1. Details may not add due to rounding.

/2. Forecast as of July 2007.

/3. Includes \$2,913,415.32 that was transferred to the DPS Parity Compensation Fund.

The transfer impacts only the State Highway Fund per Laws 2005, Chapter 306 (SB 1119).

July 18, 2008



Summary:

FY 2008 HURF collections totaled \$1,344.5 million, a decrease of 2.7 percent from FY 2007 and 6.6 percent below the forecast. June revenues totaled \$109.2 million, a decrease of 12.3 percent from June 2007 and 13.3 percent below the estimate. For the year, HURF revenues felt pressured by the slowdown in the state and national economies due to the housing market, higher fuel and food prices, and lackluster job growth. All major HURF revenue categories finished the year below last year's revenue levels.

Arizona vehicle registrations (new, new to state and renewal) subject to the VLT fell by approximately 140,000 in FY 2008 compared to FY 2007. A portion of this decrease was centered in the renewals with a year-over-year decrease of 43,000 vehicles. However, with 341,000 brand new vehicles and 215,300 new to state vehicles being registered in FY 2007, the majority of these vehicles should have been renewals during FY 2008 which would translate in to a significantly higher decrease of vehicle registrations than the 140,000 noted. Brand new and new to state vehicle registrations also suffered in FY 2008 due to consumers having less money to spend on big ticket items and fewer people moving to Arizona due to limited jobs and the housing market.

Highlights:

- If there is anything positive to report about the FY 2008 HURF collections, the **Gas Tax** and **Use Fuel Tax** revenue categories performed better than expected considering the significant run-up in fuel prices during the year.

