



ARIZONA DEPARTMENT OF TRANSPORTATION
HIGHWAY USER REVENUE FUND
JUNE 2009
(DOLLARS IN THOUSANDS)

Monthly Revenue Trends

	FY 2008	FY 2009		FY 2009 /2	
	<u>Actual</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>
July	\$107,215	\$109,814	2.4%	\$110,920	-1.0%
August	113,363	105,086	-7.3%	112,205	-6.3%
September	111,550	113,050	1.3%	112,981	0.1%
October	107,350	100,367	-6.5%	108,453	-7.5%
November	111,462	100,274	-10.0%	110,691	-9.4%
December	116,481	97,101	-16.6%	117,548	-17.4%
January	109,109	104,621	-4.1%	113,841	-8.1%
February /1	115,635	98,829	-14.5%	119,655	-17.4%
March	115,514	110,468	-4.4%	121,618	-9.2%
April	116,888	110,664	-5.3%	123,108	-10.1%
May	110,760	93,077	-16.0%	115,724	-19.6%
June	109,150	105,232	-3.6%	120,256	-12.5%
Total /1	\$1,344,477	\$1,248,583	-7.1%	\$1,387,000	-10.0%

Revenue Trends By Category

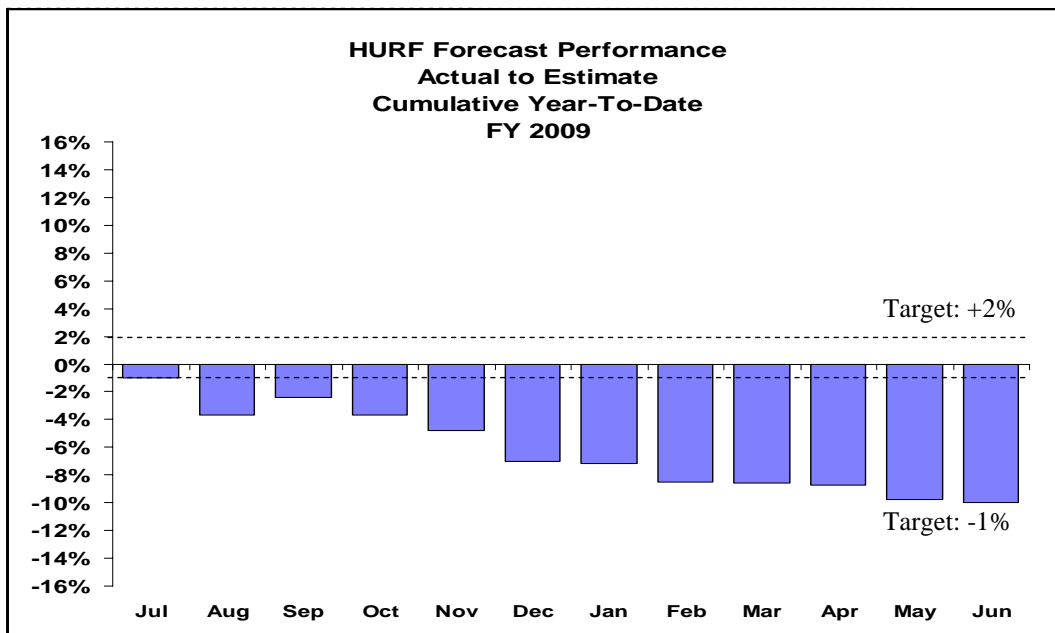
Fiscal Year to Date

<u>Category</u>	FY 2008	FY 2009		FY 2009 /2	
	<u>Actual</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>
Gas Tax	\$492,536	\$456,812	-7.3%	\$498,900	-8.4%
Use Fuel Tax	207,859	173,931	-16.3%	210,900	-17.5%
Motor Carrier	40,177	40,483	0.8%	41,600	-2.7%
Veh. Lic. Tax /3	385,186	357,498	-7.2%	408,900	-12.6%
Registration	162,765	167,565	2.9%	168,500	-0.6%
Other	55,953	52,294	-6.5%	58,200	-10.1%
Total /1	\$1,344,477	\$1,248,583	-7.1%	\$1,387,000	-10.0%

NOTES: /1. Details may not add due to rounding. February 2009 does not include the \$6,697,600 that was reverted back to HURF per Laws 2009, 1st Special Session, Chapter 2 (SB 1002).

/2. Forecast as of August 2008.

/3. Includes \$1,962,080.52 for the DPS Parity Compensation Fund and \$66,988,600.00 for the State General Fund. The transfers impact only the State Highway Fund per Laws 2005, Chapter 306 (SB 1119) , Laws 2008, Chapter 285 (HB 2209) and Laws 2009, Chapters 1 and 2 (SB 1001 and SB 1002).



Summary:

FY 2009 HURF collections amounted to \$1,248.6 million, a decrease of 7.1 percent from FY 2008 and 10.0 percent below the forecast. June HURF revenues totaled \$105.2 million, a decrease of 3.6 percent from June 2008 and 12.5 percent under the estimate. All HURF revenue categories, except **Motor Carrier Fees** and **Registrations**, posted revenues below FY 2008 levels. The recession in Arizona has wiped out four years of revenue growth in HURF collections, which is now at the FY 2005 level. Netting out the one-time \$10.1 million in revenue booked during September 2008 due to **Motor Carrier Fee** and **Registration** collections, HURF would be 7.9 percent below FY 2008 revenues and 10.7 percent below the estimate.

Rising job losses and falling wages from furloughs, pay freezes and pay cuts are affecting HURF collections negatively. Consumers are delaying replacing their old vehicles and cutting back on their driving. High unemployment, prolonged recession and tight credit markets have impacted HURF revenues negatively. According to the Arizona Department of Commerce, Arizona's unemployment rate in May rose to 8.2 percent – its highest in 26 years. In addition, slow population growth in Arizona further reduced the **Vehicle License Tax** and **Registration** revenues in FY 2009.

