

# Highway User Revenue Fund

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## Fiscal Year 2012 Year-End Report



Arizona Department of Transportation  
Financial Management Services  
Office of Financial Planning  
July 2012

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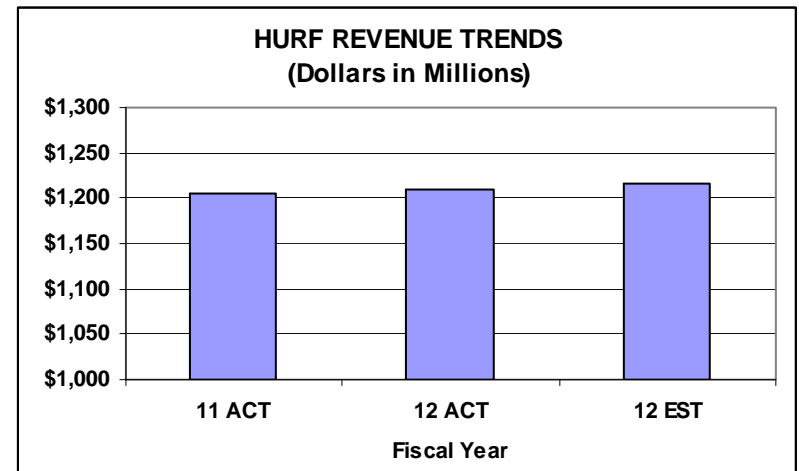
# Highway User Revenue Fund

## Executive Summary

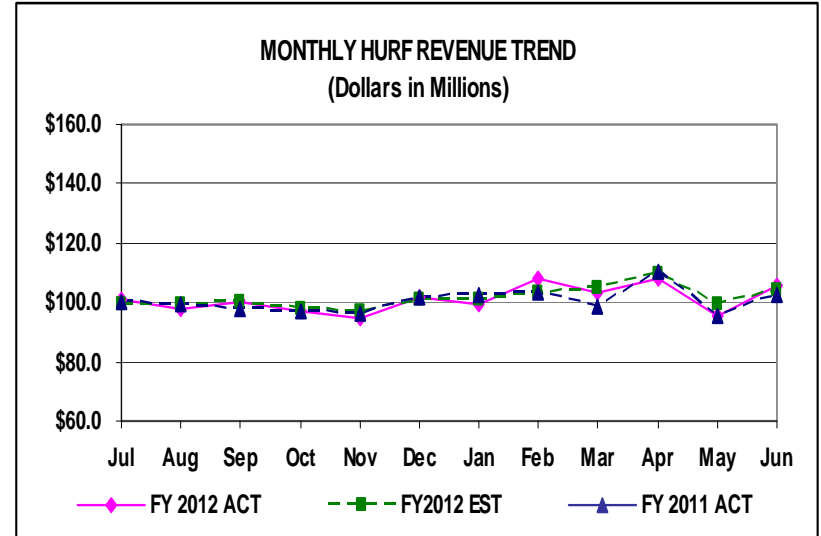
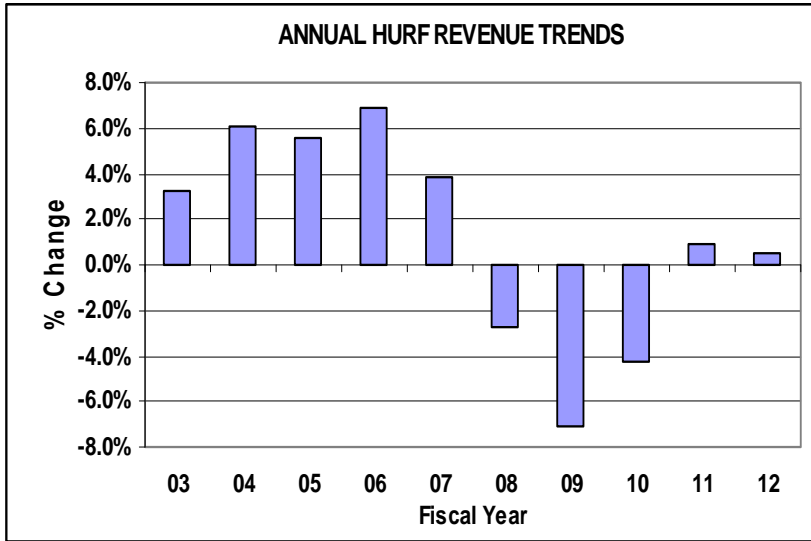
The State of Arizona taxes motor fuels and collects fees relating to the registration and operation of motor vehicles. These taxes and fees include gasoline and use fuel taxes, motor carrier fees, motor vehicle registration fees, vehicle license taxes (VLT), and other miscellaneous fees. Revenues are deposited in the Arizona Highway User Revenue Fund (HURF) and are then distributed to the cities, towns and counties and to the State Highway Fund. These taxes and fees are a major source of revenue to the state for highway construction, improvements, and other related expenditures.

HURF collections totaled \$1,210.6 million in FY 2012, an increase of 0.5 percent above FY 2011 but 0.5 percent below the estimate. All major revenue categories posted year-over-year revenue growth, except the Gas Tax and Vehicle License Tax (VLT). HURF revenues have posted two consecutive years of positive year-over-year growth, however, FY 2012 growth was lower than the 0.9 percent growth posted in FY 2011.

Arizona saw economic activity improve in FY 2012 with improved employment, personal income and population growth along with stabilization in the housing market. However, market uncertainty caused by the European debt crisis throughout the year, United States debt ceiling concerns in July and August 2011 and gasoline prices spiking to near \$4.00 per gallon during the Spring 2012 all weighed on the economic growth in Arizona.



# Revenue Trend Analysis



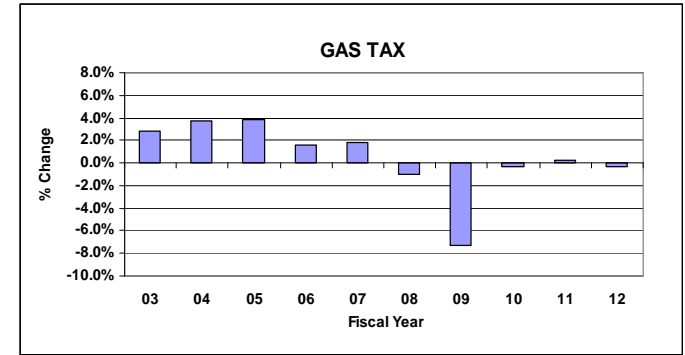
Even after two years of year-over-year growth, the HURF revenues remain at FY 2004 revenue levels while the annualized growth rate over the last ten fiscal years has fallen to 1.0 percent. Arizona was devastated by the Great Recession but economic activity is beginning to improve albeit at significantly lower growth rates than before. Economic activity is expected to improve in calendar years 2012 and 2013 with Arizona employment, population, personal income and gross domestic product all expected to post positive year-over-year growth.

FY 2012 HURF monthly collections closely tracked the estimates throughout the year, except for a 5.0 percent positive variance in February and a 4.2 percent negative variance in May. Only the Motor Carrier and Other revenues categories ended FY 2012 above their respective estimate.

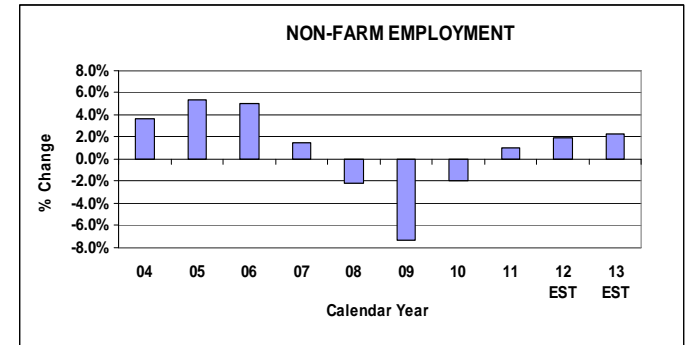
# Performance By Category

## Gas Tax:

FY 2012 gas tax revenue amounted to \$454.8 million, a decrease 0.3 percent from FY 2011 and 0.9 percent below the estimate. After posting a positive year-over-year gain in FY 2011, the gas tax revenue category posted a small decrease in FY 2012 which was attributable to the global economic uncertainty and the spike in gas prices in February and March. The gas prices did fall in May and June but the global economic slowdown dampened Arizona consumer confidence that led consumers to continue to drive less.

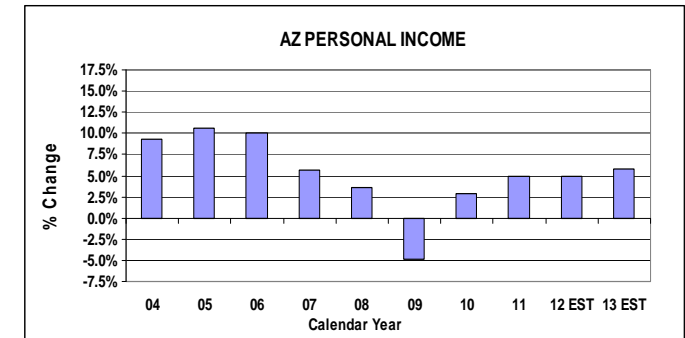


According to the AAA Arizona weekly news release dated June 28, 2012, the average statewide gas price per gallon was \$3.47 or equal to the average statewide gas price per gallon at the same time period in 2011. FY 2011 saw a 24.5 percent increase in the statewide gas price per gallon and a 0.2 percent increase in gas tax revenue while FY 2012 saw no increase in the statewide gas price per gallon and a 0.3 percent decrease in gas tax revenue.



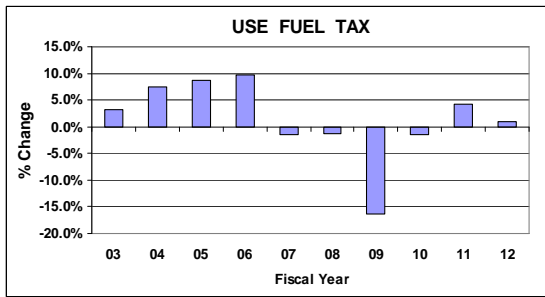
Source: Arizona Dept. of Administration, Employment Forecast Report, May 4, 2012

Arizona non-farm employment and personal income are viewed as predictors of gasoline tax revenue. According to the Arizona Department of Administration's Arizona Employment Forecast Report dated May 4, 2012, non-farm employment posted a 1.0 percent gain in CY 2011 after three consecutive years of decreases. The Arizona Department of Administration expects non-farm employment in Arizona to post an increase of 2.0 percent in CY 2012 and 2.3 percent in CY 2013.

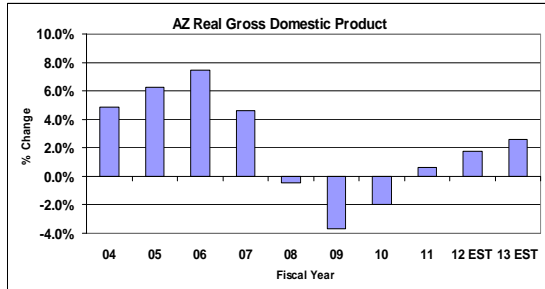


Source: Western Blue Chip Forecast, June 2012

## USE FUEL TAX:

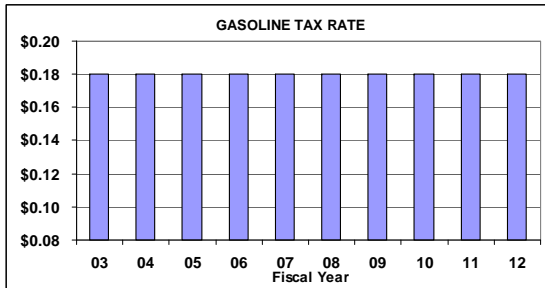


Use fuel tax (diesel) collections in FY 2012 totaled \$180.2 million, an increase of 0.9 percent above FY 2011 but 2.1 percent below the estimate. The use fuel tax revenue category, just like the gas tax revenue category, was pressured by the global economic uncertainty and higher fuel prices in February and March 2012. The use fuel tax revenues are dependent on the trucking industry the Port of Los Angeles saw a 2.6 percent increase in container counts while the Port of Long Beach posted a 9.4 percent decrease in container counts through May 2012. Both ports have seen significantly slower activity compared to last year when they both posted 12.0 percent year-over-year growth in container counts through May 2011.



Source: Bureau of Economic Analysis June 2012. Estimates extrapolated from US GDP estimates from Global Insight, 2<sup>nd</sup> Quarter 2012, Trend Forecast.

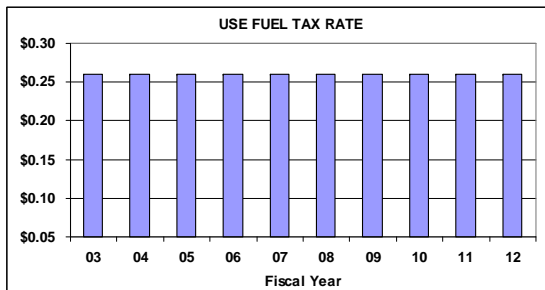
The AAA Arizona weekly news release on June 30, 2011 showed the average statewide diesel price per gallon at \$3.87 while the June 28, 2012 news release showed the average statewide diesel price per gallon at \$3.54. This represents an 8.5 percent decrease in the price of diesel which was muted by the overall slowdown in the national economy due to the global economic uncertainty during most of FY 2012.



The Arizona Real Gross Domestic Product, which is directly correlated to commercial activities and truck traffic, is used to predict the amount of use fuel consumption. According to the Bureau of Economic Analysis in June 2012, Arizona Real Gross Domestic Product increased in FY 2011 for the first time since FY 2007 with a modest 0.6 percent increase. It is expected to continue to grow at 1.8 percent in FY 2012 and 2.6 percent in FY 2013.

## GASOLINE TAX RATE:

The gasoline tax rate chart on the left shows the state gasoline tax of \$0.18 per gallon. The last gasoline tax rate increase was \$0.01 in FY 1991.

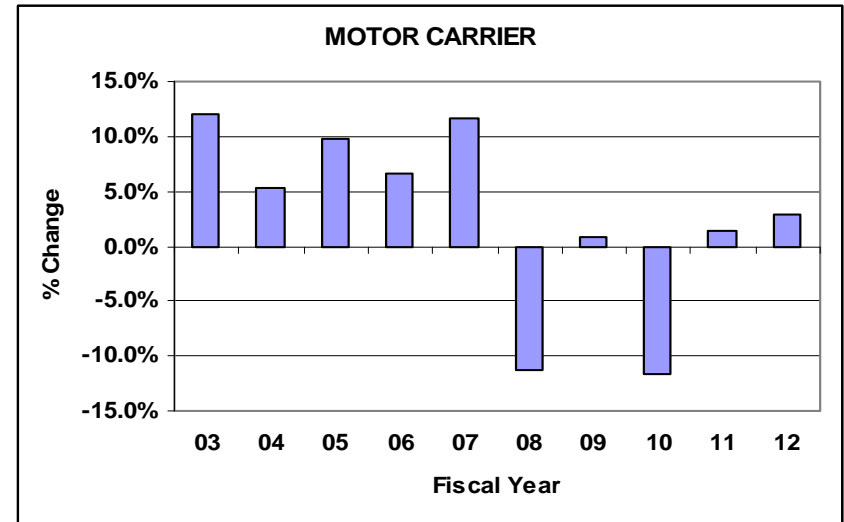


## USE FUEL TAX RATE

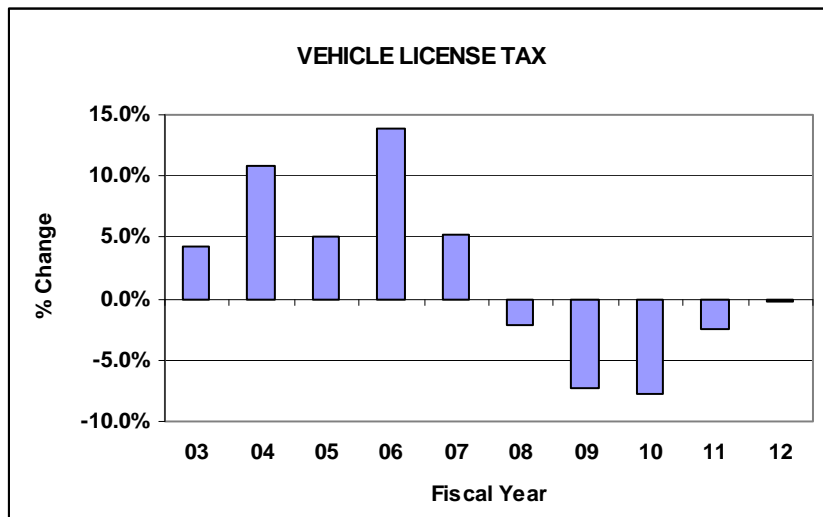
Presently, the state use fuel tax rate is \$0.26. As of July 1, 2000, the use fuel tax rate was reduced from \$0.27 to \$0.26 per gallon as part of 1997 legislation.

## MOTOR CARRIER FEE:

FY 2012 motor carrier fee revenues totaled \$37.4 million, an increase of 2.9 percent over FY 2011 and 0.9 percent above the estimate. As noted in the Use Fuel Tax section, the Ports of Los Angeles and Long Beach have posted significantly slower growth in the number of container movements through May 2012 compared to the same time period last year. The commercial truck traffic activity has slowed as a result of the weakening national economy brought on by the global economic uncertainty.



## VEHICLE LICENSE TAX:



The Vehicle License Tax (VLT) collections in FY 2012 totaled \$321.0 million, a decrease of 0.3 percent from FY 2011 and 0.2 percent below the estimate. The VLT revenue category continues to constrain HURF revenue growth. The negative growth in VLT was attributable to the renewal vehicle fleet (5.5 million vehicles) absorbing the statutory 16.25 percent annual depreciation. In years prior to FY 2008, the depreciation had been offset by strong new car, new to state, and move-up vehicle purchase registrations. On a positive note, new car and new to state vehicle registrations posted increases of 12.8 and 26.0 percent, respectively, in FY 2012.

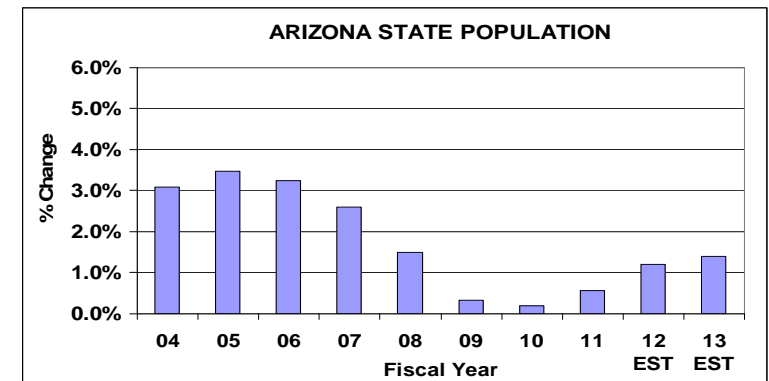
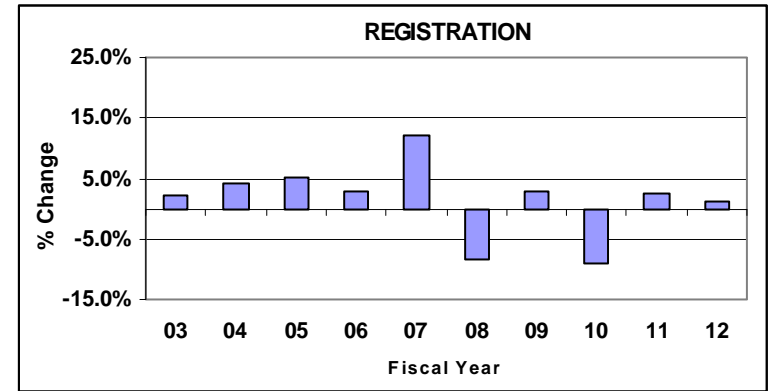
## REGISTRATION:

Registration collections amounted to \$158.1 million in FY 2012, an increase of 1.3 percent above FY 2011 but 1.1 percent below the estimate. The registration revenue category has posted positive growth over the past two years but that growth has been lower than before the Great Recession due mainly to the continued slow Arizona population growth and timid state and national economic recoveries.

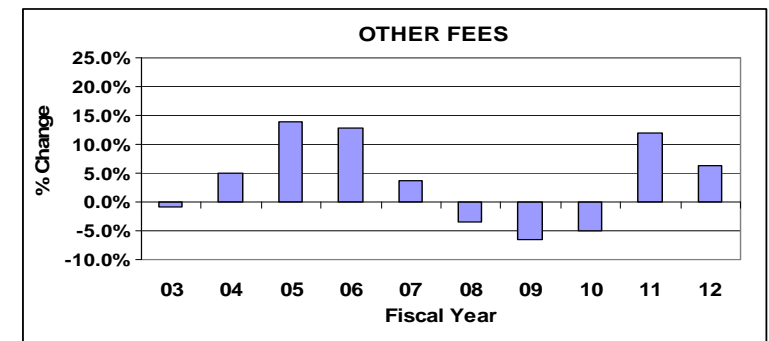
The June 2012 Western Blue Chip Forecast estimates Arizona population growth will increase 1.2 percent in CY 2012 and 1.4 percent in CY 2013. The modest employment growth in Arizona along with the improving housing market have boosted the Arizona population growth rates since the low point in FY 2010.

## OTHER FEES:

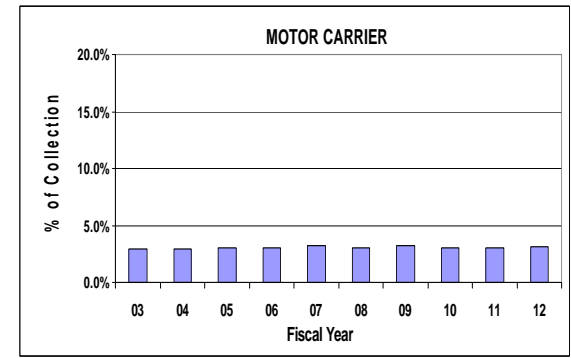
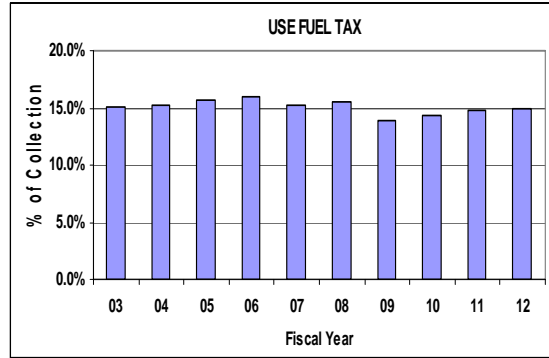
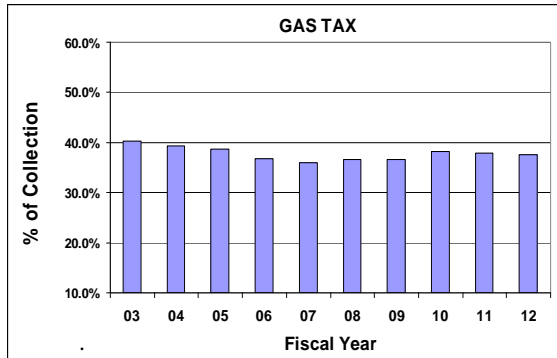
FY 2012 “Other fees” revenues amounted to \$59.1 million, an increase of 6.3 percent above FY 2011 and 7.9 percent over the estimate. Higher duplicate driver’s license revenues from a fee increase, lower credit card fees, additional enforcement officers, and a Department of Public Safety reversion to HURF for FY 2010 all attributed to the strong growth in the “Other fees” revenue category in FY 2012. Effective July 20, 2011, the “Other fees” revenue category stopped receiving a \$75 single trip overweight border permit fee per Laws 2011, Chapter 190 (SB 1270) which resulted in a sharp decrease in oversize permit fees during FY 2012.



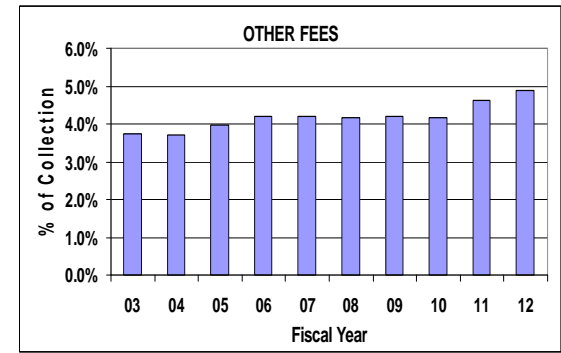
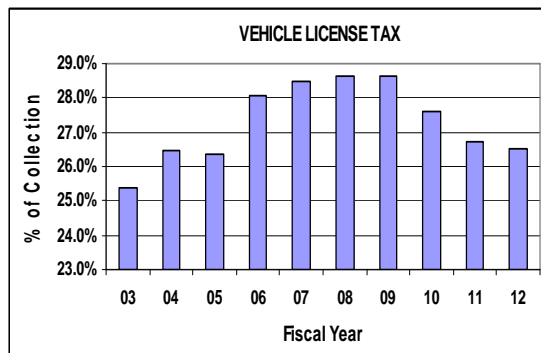
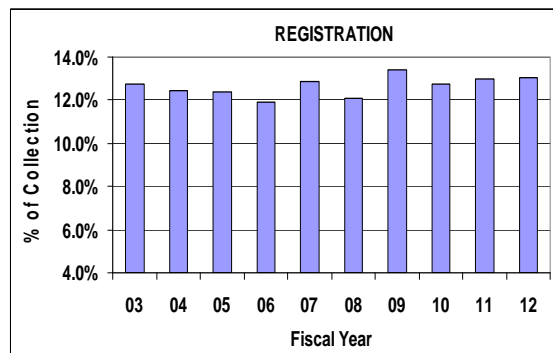
Source: Western Blue Chip, June 2012 and ADOA, Office of Employment and Population Statistics.



# Revenue Composition Comparison



The gas tax revenue category, the largest component of HURF, decreased slightly to 37.6 percent of HURF revenues. The use fuel, motor carrier and registration revenue categories were relatively flat at 14.9, 3.1 and 13.1 percent, respectively in FY 2012. The VLT revenue category peaked at 28.6 percent in FY 2008 and FY 2009, but has since decreased to 26.5 percent in FY 2012 as a result of the Great Recession and slow economic recovery. Slower population growth and the statutory 16.25 percent annual depreciation on renewal vehicles continue to pressure this revenue category and the overall HURF growth rate since FY 2009. The increased contribution from “other fees” since FY 2005 has been due to 2004 legislation that allowed MVD to retain a \$12 processing fee with each VLT refund processed, the higher duplicate driver’s license fee of \$12 implemented on March 1, 2011, additional enforcement officers, lower credit card fees and Department of Public Safety reversions in FY 2011 and FY 2012.



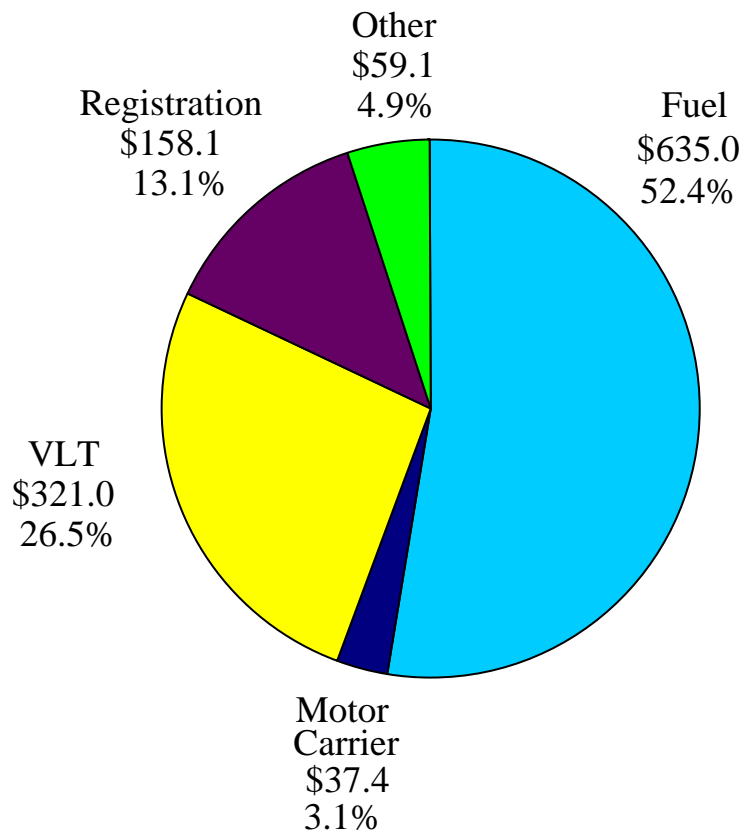


# HIGHWAY USER REVENUE FUND SOURCES AND DISTRIBUTION OF FUNDS

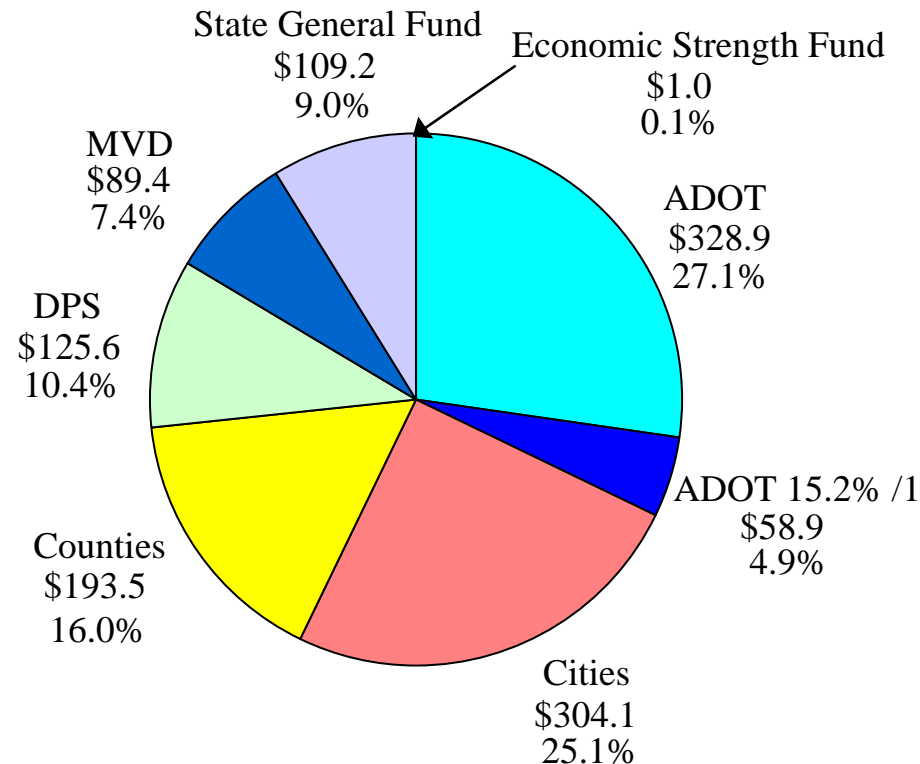
FY 2012

TOTAL: \$1,210.6 MILLION

## SOURCES



## DISTRIBUTION



NOTES:

1. Represents ADOT's allocation of HURF for MAG and PAG regional projects.

# Highway User Revenue Fund

## Revenue Comparison Statement

CATEGORY	FY 2011 ACTUAL	FY 2012 ACTUAL	CHANGE	FY 2012 ESTIMATE	CHANGE
<b>GAS TAX</b>	\$456,298,591	\$454,769,543	-0.3%	\$459,000,000	-0.9%
<b>USE FUEL TAX</b>	178,684,336	180,242,229	0.9%	184,100,000	-2.1%
<b>SUBTOTAL</b>	\$634,982,927	\$635,011,772	0.0%	\$643,100,000	-1.3%
<b>MOTOR CARRIER TAX</b>	\$36,299,755	\$37,349,582	2.9%	\$37,000,000	0.9%
<b>VEHICLE LICENSE TAX</b>	\$322,016,883	\$320,979,192	-0.3%	\$321,500,000	-0.2%
<b>COUNTY REGISTRATION</b>	\$70,047,045	\$70,284,215	0.3%	\$71,200,000	-1.3%
<b>APPORTIONED REG.</b>	71,508,484	74,291,061	3.9%	73,800,000	0.7%
<b>MISC. REGISTRATION</b>	14,592,033	13,548,672	-7.2%	14,900,000	-9.1%
<b>SUBTOTAL</b>	\$156,147,562	\$158,123,948	1.3%	\$159,900,000	-1.1%
<b>TITLE FEES</b>	\$7,554,911	\$7,808,986	3.4%	\$7,800,000	0.1%
<b>OPERATOR LICENSES</b>	20,406,778	23,592,377	15.6%	23,400,000	0.8%
<b>OVERSIZE PERMITS</b>	8,420,180	5,625,822	-33.2%	6,000,000	-6.2%
<b>INQUIRY FEES</b>	11,781,079	11,591,975	-1.6%	12,000,000	-3.4%
<b>STATION FUEL FEES</b>	2,087,224	2,893,790	38.6%	2,200,000	31.5%
<b>INVESTMENT INTEREST</b>	340,274	306,655	-9.9%	300,000	2.2%
<b>SPECIAL PLATES</b>	8,474,071	8,742,773	3.2%	8,800,000	-0.7%
<b>CREDIT CARD FEES</b>	(10,225,615)	(8,977,309)	12.2%	(10,800,000)	16.9%
<b>MISCELLANEOUS FEES</b>	6,787,088	7,536,884	11.0%	5,100,000	47.8%
<b>SUBTOTAL</b>	\$55,625,991	\$59,121,953	6.3%	\$54,800,000	7.9%
<b>TOTAL</b>	\$1,205,073,118	\$1,210,586,447	0.5%	\$1,216,300,000	-0.5%

Details may not add to the total due to individual rounding.

# Highway User Revenue Fund

## Revenue Collections By Category

(Dollars In Thousands)

### FY 2003- 2012

Fiscal Year	Vehicle						Total /1	Percent Change
	Gas Tax	Use Fuel Tax	Motor Carrier	License Tax	Registration	Other		
2003	\$446,891	\$166,744	\$32,856	\$281,947	\$141,327	\$41,490	\$1,111,256	3.2%
2004	463,531	179,002	34,617	312,262	146,638	43,510	1,179,561	6.1%
2005	481,284	194,368	37,980	328,232	154,122	49,567	1,245,553	5.6%
2006	489,081	213,460	40,504	373,864	158,805	55,911	1,331,625	6.9%
2007	497,702	210,282	45,226	393,497	177,788	57,979	1,382,474	3.8%
2008	492,536	207,859	40,177	385,186	162,765	55,953	1,344,477	-2.7%
2009 /2	456,812	173,931	40,483	357,498	167,565	52,294	1,248,583	-7.1%
2010	455,436	171,308	35,807	329,915	152,236	49,714	1,194,417	-4.3%
2011	456,299	178,684	36,300	322,017	156,148	55,626	1,205,073	0.9%
2012	454,770	180,242	37,350	320,979	158,124	59,122	1,210,586	0.5%
<b>Total</b>	<b>\$4,694,341</b>	<b>\$1,875,881</b>	<b>\$381,302</b>	<b>\$3,405,396</b>	<b>\$1,575,519</b>	<b>\$521,166</b>	<b>\$12,453,604</b>	

Compound annual growth rate (FY 2003 – FY 2012) = 1.0%

Notes:

- 1/ Details may not add to the total due to individual rounding.
- 2/ Does not include the \$6,697,600 that was reverted back to HURF per Laws 2009, 1st Special Session, Chapter 2 (SB 1002) in February 2009. The funds were originally appropriated to the state highway fund in Laws 2007, Chapter 257 (HB 2783).

# Highway User Revenue Fund

## Revenue Distributions

### (Dollars In Thousands)

### FY 2003-2012

FISCAL YEAR	STATE HIGHWAY FUND	MAG CONTROLLED ACCESS	PAG CONTROLLED ACCESS	CITIES AND TOWNS	COUNTIES	ECONOMIC			TOTAL / 17
						DEPT. OF PUBLIC SAFETY / 1	STRENGTH PROJECT FUND / 2	OTHER MISCELLANEOUS APPROPRIATIONS	
2003	\$451,827	\$60,741	\$20,247	\$321,799	\$200,465	\$54,528	\$1,000	\$648 /3	\$1,111,256
2004	483,688	65,024	21,675	344,491	214,601	48,698	1,000	383 /3	1,179,561
2005	410,362	55,167	18,389	363,535	226,464	52,216	1,000	118,420 /3 /4 /5	1,245,553
2006	539,865	72,576	24,192	386,128	240,538	66,693	1,000	633 /3 /6	1,331,625
2007	584,531	78,581	26,194	418,114	260,465	12,983	1,000	607 /3	1,382,474
2008	565,381	76,006	25,335	404,434	251,942	12,913	1,000	7,465 /3,7,8	1,344,477
2009 /10	442,020	59,422	19,807	356,458	222,056	86,912	1,000	60,908 /3,9	1,248,583
2010	437,848	58,862	19,621	339,823	211,693	81,118	1,000	44,453 /3,11	1,194,417
2011	441,554	59,360	19,787	342,892	213,605	81,615	1,000	45,260 /3,12,13,14	1,205,073
2012 /16	328,878	44,212	14,737	304,092	193,524	125,607	1,000	198,535 /3,14,15,16	1,210,586
<b>Total</b>	<b>\$4,685,955</b>	<b>\$629,951</b>	<b>\$209,984</b>	<b>\$3,581,765</b>	<b>\$2,235,354</b>	<b>\$623,283</b>	<b>\$10,000</b>	<b>\$477,312</b>	<b>\$12,453,604</b>

**NOTES:**

- 1/ The legislature has authorized the distribution of Arizona Highway User Revenue Fund (HURF) monies to the Arizona Department of Public Safety (DPS) for highway patrol expenditures. Per Laws 2005, Chapter 306 (SB 1119), the DPS Parity Compensation Fund receives 1.51 percent of the state highway fund share of the HURF VLT beginning in FY 2006.
- 2/ The Economic Strength Project Fund was statutorily established on May 17, 1989. Money in the fund is to be used for highway projects that provide economic benefits to the State or local jurisdictions. Laws 2002, Chapter 22 (SB 1372) allocated \$500,000 in FY 2003 for grants to small communities to provide air service and airport upgrades.
- 3/ Appropriation for the MVD vehicle registration enforcement and 3rd party programs (FY03 \$648,000, FY04-06 \$383,300, FY07 \$607,300 and FY08-10 \$617,000, FY11 \$620,400, FY12 \$624,800, FY13 \$662,600 )
- 4/ Appropriation to MVD to implement special 30-day nonresidents permit (\$37,000).
- 5/ Laws 2004, Chapter 282 (SB 1413) transferred \$118 million of the state highway fund share of HURF VLT to the state general fund in FY 2005.
- 6/ Laws 2005, Chapter 313 (SB 1254) appropriated \$250,000 from the HURF to the ADOT (MVD) for 3rd Party program.
- 7/ Laws 2007, Chapter 255 (HB 2781) appropriated \$150,000 to the Arizona Department of Administration for a hazards assessment study on state highways.
- 8/ Laws 2007, Chapter 257 (HB 2783) appropriated \$6.7 million to ADOT for 2 MVD facilities and 1 ADOT facility.
- 9/ Laws 2008, Chapter 285 (HB 2209) and Laws 2009, 1st Special Session, Chapters 1 and 2 (SB 1001 and SB 1002) transferred \$8.4 million and \$58.6 million, respectively from the state highway fund share of HURF VLT to the state general fund.
- 10/ Laws 2009, Chapter 2 (SB 1002) reverted \$6.7 million from state highway fund to HURF based on Laws 2007, Chapter 257 (HB 2783) that was for 2 MVD facilities and 1 ADOT facility. This was actually booked as negative revenue in the other miscellaneous appropriations section.

- 11/ Laws 2009, 3rd Special Session, Chapter 11 (HB 2006) and Laws 2009, 5th Special Session, Chapter 1 (SB 1001) transferred \$43.2 million and \$0.6 million, respectively from the state highway fund share of HURF VLT to the state general fund.
- 12/ Laws 2010, 7th Special Session, Chapter 1 (HB 2001) transferred \$43.62 million from the state highway fund share of HURF VLT to the state general fund.
- 13/ Laws 2010, 7th Special Session, Chapter 12 (HB 2012) transferred the state highway fund share of HURF VLT that was generated from the difference between the two-year registration and the five-year registration to the state general fund in FY 2011.
- 14/ Laws 2010, 7th Special Session, Chapter 12 (HB 2012) an amount equal to 90 percent of the fees collected under 28-4802 (A) and 60 percent of the fees collected under 28-4802 (B) shall be transferred from the state highway fund share of HURF VLT to the state general fund.
- 15/ Laws 2011, 1st Regular Session, Chapter 24 (SB 1612) transferred \$105.8 million from the state highway fund share of HURF VLT to the state general fund. Bill also transfers transfers \$88.7 million from HURF to the Motor Vehicle Division for operations.
- 16/ Laws 2011, 1st Regular Session, Chapter 28 (SB 1616) makes permanent the transfer of the state highway fund share of the HURF VLT that is generated from the difference between the two-year registration and the five-year registration to the state general fund. Bill also distributes \$4.1 million from the state highway fund share of HURF to the 10 least populated counties in FY 2012.
- 17/ Details may not add to the total due to individual rounding.

# Highway User Revenue Fund

## Distributions to Cities, Towns and Counties

### FY 2012

COUNTY	CITY	COUNTY	CITY	COUNTY	CITY	COUNTY	CITY	COUNTY	CITY	COUNTY	CITY
Apache		\$5,745,976.08		La Paz		\$3,360,549.17		Pima		\$33,664,645.79	
	Eagar		\$785,337.28		Parker		\$886,513.38		Marana		\$2,061,140.79
	Springerville		\$315,350.80		Quartzsite		\$1,057,637.35		Oro Valley		\$2,418,604.91
	St. Johns		\$559,333.33						South Tucson		\$333,786.65
Cochise		\$6,881,452.74		Maricopa		\$78,632,015.62		Tucson		\$37,133,362.54	
	Benson		\$304,164.64		Apache Junction		\$14,663.10		Sahuarita		\$1,489,430.20
	Bisbee		\$331,614.34		Avondale		\$3,817,593.13				
	Douglas		\$1,033,729.02		Buckeye		\$2,547,519.83		Pinal		\$14,715,562.50
	Huachuca City		\$110,385.69		Carefree		\$168,297.47		Apache Junction		\$2,051,615.39
	Sierra Vista		\$2,610,922.00		Cave Creek		\$251,358.90		Casa Grande		\$2,802,058.03
	Tombstone		\$81,424.85		Chandler		\$11,823,280.39		Coolidge		\$681,592.50
	Willcox		\$223,764.32		El Mirage		\$1,592,017.78		Eloy		\$959,271.93
Coconino		\$7,997,303.16		Fountain Hills		\$1,126,761.63		Florence		\$1,472,847.35	
	Flagstaff		\$5,576,166.95		Gila Bend		\$96,353.16		Kearny		\$112,804.18
	Fredonia		\$111,020.30		Gilbert		\$10,437,844.29		Mammoth		\$81,808.15
	Page		\$613,166.60		Glendale		\$11,352,855.57		Superior		\$163,085.92
	Williams		\$255,691.20		Goodyear		\$3,269,285.25		Queen Creek		\$26,026.12
	Sedona		\$241,188.21		Guadalupe		\$276,333.60		Winkelman		\$0.24
	Tusayan		\$47,132.59		Litchfield Park		\$274,158.61		Maricopa		\$2,508,139.03
Gila		\$3,247,689.59		Mesa		\$27,444,746.82		Santa Cruz		\$2,591,620.69	
	Globe		\$623,043.08		Paradise Valley		\$641,688.21		Nogales		\$1,453,098.80
	Hayden		\$54,504.08		Peoria		\$7,713,897.55		Patagonia		\$63,419.93
	Miami		\$152,522.43		Phoenix		\$90,367,524.89				
	Payson		\$1,266,058.09		Queen Creek		\$1,297,242.84		Yavapai		\$8,866,490.01
	Winkelman		\$29,156.40		Scottsdale		\$10,884,619.10		Camp Verde		\$688,134.48
	Star Valley		\$191,079.37		Surprise		\$5,885,192.83		Chino Valley		\$684,748.20
Graham		\$2,099,887.78		Tempe		\$8,098,253.79		Clarkdale		\$260,137.49	
	Pima		\$149,925.56		Tolleson		\$327,088.22		Cottonwood		\$713,231.34
	Safford		\$597,546.98		Wickenburg		\$318,952.14		Jerome		\$28,349.00
	Thatcher		\$304,409.33		Youngtown		\$308,640.07		Prescott		\$2,523,585.35
Greenlee		\$730,323.56		Mohave		\$9,379,629.18		Prescott Valley		\$2,460,595.05	
	Clifton		\$245,594.49		Bullhead City		\$2,787,674.83		Sedona		\$455,200.05
	Duncan		\$51,800.00		Colorado City		\$340,055.08		Peoria		\$275.31
					Kingman		\$1,979,270.26		Dewey/Humboldt		\$247,314.54
					Lake Havasu City		\$3,703,968.34				
				Navajo		\$6,754,995.23		Yuma		\$8,856,085.95	
					Pinetop/Lakeside		\$429,241.85		Somerton		\$874,465.18
					Holbrook		\$507,468.88		San Luis		\$1,562,498.09
					Show Low		\$1,069,192.26		Wellton		\$176,042.95
					Snowflake		\$560,451.99		Yuma		\$5,700,427.81
					Taylor		\$412,706.43				
					Winslow		\$968,306.11				
FISCAL YEAR 2011-2012 TOTALS:											
CITIES:			\$304,091,785.36								
COUNTIES:			\$193,524,227.05								
TOTAL			\$497,616,012.41								

# Highway User Revenue Fund

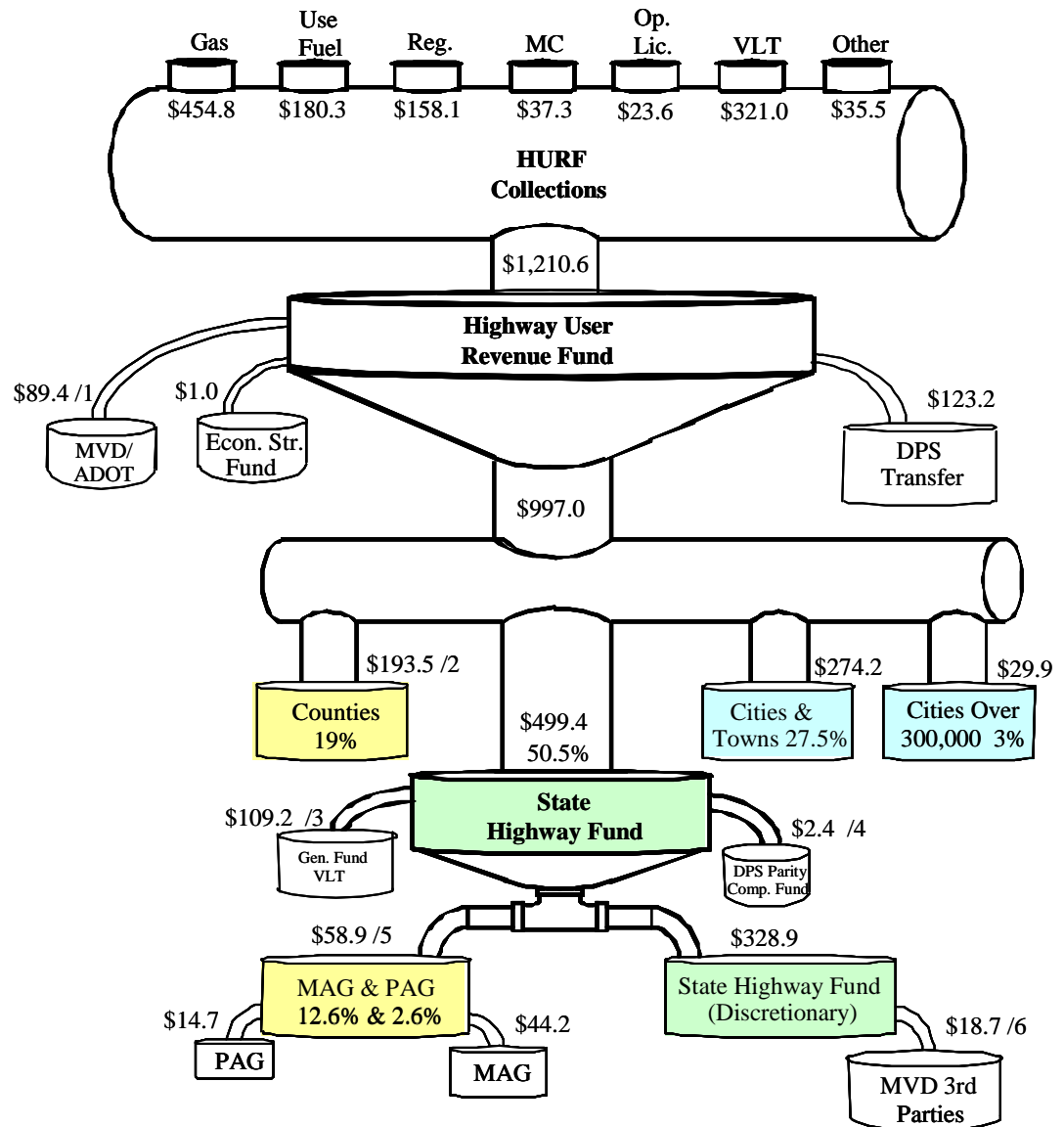
## Distribution Overview

<u>Revenues from:</u>	<u>Distribution breakdown:</u>	<u>Distribution formulas:</u>
<p><b>Gas Tax \$.18/gallon</b>  <b>Use Fuel (diesel) Tax (7/00)</b>            - \$.18/gallon for vehicles under 26,000 lbs.            - \$.26/gallon for vehicles 26,000 lbs. and over</p> <p><b>Vehicle Registration</b>  <b>Motor Carrier Fee</b>  <b>44.99% of VLT (12/00)</b>  <b>Other</b></p>	<p><b>50.5% to State Highway Fund</b></p> <p><b>27.5% to Cities &amp; Towns</b></p> <p><b>3% to Cities over 300,000</b></p> <p><b>19% to Counties</b></p>	<p><b>7.67% to Maricopa and Pima Counties for Controlled Access with a 75% and 25% split respectively. (Statutory 12.6% &amp; Special 2.6% money)</b>  <b>42.83% to the State Highway Fund.</b></p> <p><b>One half distributed on basis of incorporated population and one half on the basis of county origin of gasoline sales and city or town population within each county.</b></p> <p><b>Distributed to Phoenix, Tucson and Mesa based on population.</b></p> <p><b>Distributed based on a portion of gasoline distribution and diesel fuel consumption and on a portion of unincorporated population. The split as follows: 85/15 in FY 1997, 80/20 in FY 1998, 76/24 in FY 1999, and 72/28 in FY 2000 and thereafter)</b></p>

# Highway User Revenue Fund

## FY 2012 Actual Revenue Distribution Flow

(Dollars in Millions)



**NOTES:**

/1. Appropriation of 662,600 to MVD for the vehicle registration enforcement and 3<sup>rd</sup> party programs and \$88.7 million to the state highway fund for MVD operations in FY 2012.

/2. Per Laws 2011, 1st Regular Session, Chapter 28 (SB 1616) \$4.1 million is transferred from the state highway fund share of HURF to the 10 least populated counties in FY 2012.

/3. Per Laws 2011, 1st Regular Session, Chapter 24 (SB 1612) \$105.8 million of the state highway fund share of HURF VLT was appropriated to the state general fund in FY 2012. Per Laws 2011, 1<sup>st</sup> Regular Session, Chapter 28 (SB 1616) transferred \$1.2 million from the state highway fund share of VLT generated from the difference in the two-year and five-year VLT to the state general fund. Laws 2010, 7<sup>th</sup> Special Session, Chapter 12 (HB 2012) an amount equal to 90 percent of the fees collected under 28-4802 (A) and 60 percent of the fees collected under 28-4802 (B) shall be transferred from the state highway fund share of VLT to the state general fund at \$2.1 million. The \$109.2 million will not be deposited into HURF before the transfer.

/4. Per Laws 2005, Chapter 306 (SB 1119), 1.51 percent of the state highway fund share of HURF VLT is distributed to the DPS Parity Compensation Fund.

/5. The 12.6% (statutory) and 2.6% (non-statutory) allocations from the State Highway Fund share of HURF distributions.

/6. With the elimination of the VLT distribution to the state highway fund, a distribution is made from the state highway fund to MVD Third Parties for the collection of VLT.

# REVENUE CATEGORY DEFINITIONS

<b>GASOLINE TAX</b>	A per-gallon tax imposed on gasoline used by vehicles on Arizona highways; presently this tax is \$0.18 per gallon.
<b>USE FUEL TAX</b>	Includes all gases and liquids used to propel motor vehicles on the highways in this state except for motor fuel (gasoline). Use fuel consists primarily of diesel fuel. Diesel fuel tax was \$0.27 per gallon, but dropped to \$0.26 per gallon on July 1, 2000 for “use class” vehicles. “Non-use class” vehicles continue to pay \$0.18 per gallon. Jet fuel is exempt from fuel and use fuel taxes.
<b>MOTOR CARRIER FEE</b>	A fee imposed on certain commercial carriers based on vehicle weight. Category also includes: Motor Carrier License Tax, Motor Carrier Tax Penalties, late fees and interest, and Motor Carrier Permits Tax, and application fees.
<b>VEHICLE LICENSE TAX</b>	An annual license tax imposed on registered vehicles in lieu of property taxes.
<b>REGISTRATION FEES</b>	<p>Is made up of three distinct components:</p> <p><b>County Registration</b> - non-commercial and commercial vehicle registration, and commercial weight fees.</p> <p><b>Apportioned Registration</b> - commercial registration fees allocated according to miles traveled in Arizona.</p> <p><b>Miscellaneous Registration</b> - Non-resident Permits, Unassigned Registration, Prorate Stickers, and Registration Penalties.</p>
<b>OTHER FEES</b>	Includes Title Fees, Operator Licenses, Oversize/Overweight Permits and Highway Fines, Inquiry Fees, Use Fuel Permits and Fuel Tax Penalties, Investment Interest, Special Plates, and Other Miscellaneous Fees, less Credit Card Fees.