

Sweeping the HURF Fund: A Roadblock to Recovery

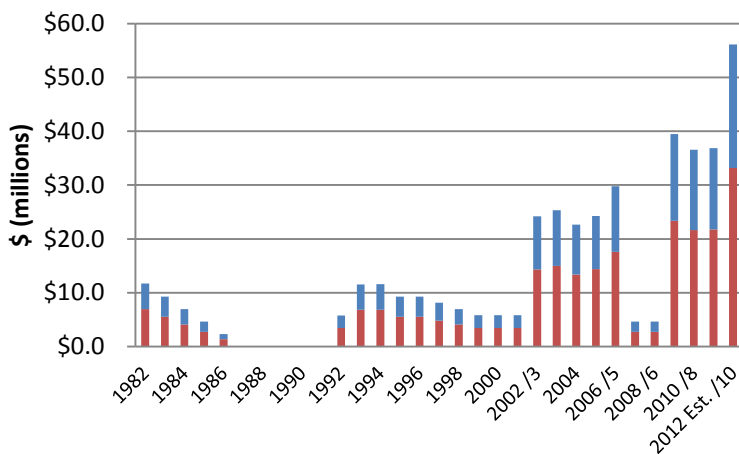
History and Context:

The Highway User Revenue Fund (HURF) is used by counties, cities and towns to pay for maintenance and construction of roads and highways. These funds come from a variety of places such as use fuel taxes, motor carrier fees, vehicle license taxes, and motor vehicle registration fees.

According to statute, local government should receive about half of this money to maintain Arizona's roadways. Building this infrastructure means jobs and economic growth all across the state. And yet, in recent years the State has begun sweeping this money away and using it to pay for DPS.

Total Sweeps, FY01-FY12:	\$668,000,000
• Sweeps from State Highway Fund:	\$337,000,000
• Sweeps from Cities:	\$204,000,000
• Sweeps from Counties:	\$127,000,000

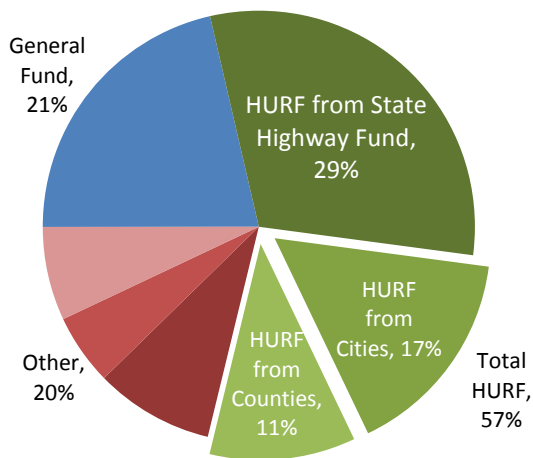
HURF Transfers from Cities and Counties



Economic Impact:

- \$455 Million in backlogs for construction, repair, and maintenance of municipal street projects.
- 19,000 Jobs lost due to money swept from potential construction projects.
- Potential for lower city bond ratings due to instability of State distribution.
- Deteriorating infrastructure may lead to safety concerns and liability issues.

DPS Revenues, FY12



Cities PAYING for State Departments:

From FY01-12, local government will pay \$331 Million to state departments like MVD and DPS.

Perhaps even more shocking than this is the fact that cities and counties will contribute more to DPS in FY12 than the state will. In FY12, 28% of DPS' budget will come from HURF funds intended for local government, whereas only 21% will come from the State's General Fund.

5 years ago DPS collected only 4% of revenues from HURF. In FY12 DPS will collect nearly 57% of revenues from HURF. If this trend continues DPS will collect 97% of revenues from HURF by 2015.

DPS Revenues, (FY 2008-2012)

