

RESOLUTION NO. 2607

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, SUPPORTING THE ATTACHED ARIZONA LEAGUE OF CITIES & TOWNS' RESOLUTION REQUESTING THAT THE ARIZONA STATE LEGISLATURE FREEZE FURTHER SWEEPS OF HIGHWAY USER REVENUE FUNDS (HURF) ALLOCATED TO ARIZONA CITIES AND TOWN AND TO RESTORE HURF FUNDING TO FY2008 LEVEL.

(SUPPORTING LEAGUE'S HURF FUNDING RESTORATION RESOLUTION)

WHEREAS, A.R.S. §28-6540 provides a method of distributing motor vehicle fuel tax revenues to Arizona Counties, Cities, and Towns for the mandated purpose of road construction, reconstruction, or maintenance of roads within the jurisdiction; and

WHEREAS, Article IX, Section 14 of the State Constitution mandates that all Highway User Revenue Fees (HURF) be used solely for construction, maintenance, repair, and reconstruction of local streets and roads; and

WHEREAS, the Arizona Highway User fund was set up as a method of sharing state gas tax revenues with Arizona municipalities; and

WHEREAS, the State Legislature has swept portions of these revenues each year since FY2008; and

WHEREAS, the amount of HURF funding received by the Town of Payson has decreased every year since 2008; and

WHEREAS, at the same time, the amount of State Shared Revenues the Town has received has also decreased; and

WHEREAS, such reductions have placed cities and towns in the position of seeking higher local taxation to replace such swept and lost State revenues for street repair, or reducing or eliminating street repair and maintenance,

**NOW, THEREFORE, THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, DO HEREBY RESOLVE AS FOLLOWS:**

- Section 1. That the Town of Payson supports the attached Arizona League of Cities & Towns' Resolution (Requesting a freeze or discontinuation of future sweeps of HURF funds and restoration of HURF funding to the 2008 level) attached hereto as Exhibit A.

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Section 2. That the Town of Payson, acting by and through its Mayor and/or its other appropriate officers and officials, is hereby authorized to take all other actions necessary or appropriate to support the attached League of Cities & Towns' Resolution.

**PASSED AND ADOPTED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON** this \_\_\_\_ day of \_\_\_\_\_, 2011, by the following vote:

AYES \_\_\_\_ NOES \_\_\_\_ ABSTENTIONS \_\_\_\_ ABSENT \_\_\_\_

\_\_\_\_\_  
Kenny J. Evans, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Silvia Smith, Town Clerk

  
\_\_\_\_\_  
Timothy M. Wright, Town Attorney

**EXHIBIT A  
TO  
RESOLUTION 2607**

**LEAGUE OF ARIZONA CITIES & TOWNS  
RESOLUTION FORMAT**

The City of Douglas through the League of Cities, Counties and Towns and its Municipal members are requesting the Arizona State Legislature freeze future sweeps of Highway User revenue funds allocated to Arizona Cities and Towns. Douglas further resolves that the Arizona Legislature restore HURF funding to FY2008 levels over a 3-5 year period to begin in FY2012/2013.

**Submitted by:** *(List the municipalities sponsoring this Resolution – there must be at least two.)*

City of Douglas \_\_\_\_\_ Apache Junction \_\_\_\_\_  
Sierra Vista \_\_\_\_\_ Bisbee \_\_\_\_\_

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**A. Purpose and Effect of Resolution** *(Explain your proposal and provide any relevant background information.)*

ARS 28-6540 provides a method of distributing motor vehicle fuel tax revenues to Arizona Counties, Cities, and Towns for the mandated purpose of road construction, reconstruction or maintenance of roads within the jurisdiction. The State has swept portions of these revenues each year since FY2008.

In 2008, Douglas received \$1,469,404. In FY2011/2012 Douglas will receive \$1,105,914 or a reduction of \$363,490 (24.74%). At the same time, Douglas portion of State Shared Revenues declined \$1,263,975 (26.07%). HURF revenues will no longer support minor or major street improvements. The decline in other State Shared revenue negates the General Fund being able to subsidize street improvements. The Douglas maintenance streets program is now limited to pothole/sidewalk repair. Further HURF losses will mean employee layoff and further street deterioration.

**B. Relevance to Municipal Policy** *(Explain how the resolution impacts cities/towns throughout the state.)*

Upon information and belief many other Arizona Counties, Cities and Towns are in the same situation. Arizona enjoys year round Tourism to all Urban and Rural Areas of the State. With the prospect of very poor, declining Street Infrastructure, Cities will be forced to find other methods of local taxation to replace HURF Sweeps and General Fund Revenues Sharing losses. The inability to fund even minor street repairs will also affect General Contractor payrolls as street projects slow down or come to an end. Ultimately transportation infrastructure, jobs and economic growth will further deteriorate in the State.

**C. Fiscal Impact to Cities and Towns** *(Explain the potential fiscal impact, if any, to cities/towns. Include any cost estimates if possible.)*

Douglas has lost \$363,490 or 24.74% of 2008 HURF revenue. At 17,500 population, Douglas is roughly in the middle compared with Arizona’s other 91 Cities or Towns. Many other Arizona Cities and Counties will be unable to do minor or major construction/reconstruction of streets without new taxes forced by State sweeps. Under ARS 28-6533 HURF revenues to Cities must be used for Street and Road repair not for enforcement of traffic. State Sweeps have caused the municipal loss of over 100 million in Street repair monies to fund the operations of the State D.P.S.

**D. Fiscal Impact to the State** *(Identify possible state or federal funding sources and if the impact to the state would be an appropriation of monies or a tax credit, exemption, etc.)*

Sweeps of Arizona HURF should be restored to municipalities’ budget from the DPS to bring HURF funds back to 2008 levels. The State should find the necessary funds for DPS within its own General Fund as the economy recovers.

**E. Contact Information**

Name: Margaret Morales Title: Council Member Ward 1 – City of Douglas Representative to the Arizona League of Cities and Towns Resolutions Committee  
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