

**TOWN OF PRESCOTT VALLEY
REQUEST FOR COUNCIL ACTION
Date: February 13, 2014**

SUBJECT: Highway User Revenue Fund (HURF) Resolution

SUBMITTING DEPARTMENT: Town Manager's Office

PREPARED BY: Ryan Judy, Deputy Town Manager for Larry Tarkowski, Town Manager and Harvey Skoog, Mayor

AGENDA LOCATION: Comments/Communications , Consent , Work/Study ,
New Business , Public Hearing , Second Reading

ATTACHMENTS: a) Resolution No. 1866, b) HURF House Press Release, c) HURF Letter

SUMMARY/BACKGROUND: The State of Arizona taxes motor fuels and collects a variety of fees and charges relating to the registration and operation of motor vehicles on the public highways of the state including gasoline and use-fuel taxes, motor-carrier taxes, vehicle-license taxes, motor vehicle registration fees and other miscellaneous fees; and

These revenues are deposited in the Arizona Highway User Revenue Fund (HURF) for distribution to cities, towns, counties and to the State Highway Fund.

These taxes represent a primary source of revenues available to the state and local governments for street and highway construction, improvements and other related expenses.

In the last ten years, more than \$200 million in city and town HURF funds have been transferred to the Arizona Department of Public Safety, including more than \$34 million in each of the last three years of money intended for municipal use and approximately \$330,000 annually from the Town of Prescott Valley.

These funds are used for street repairs, asphalt overlays, chip and crack sealing, equipment, and other necessary items to preserve our transportation system.

This resolution is an appeal, with the support of many legislators including our own Speaker Tobin, to restore these cuts and fully fund HURF.

OPTIONS ANALYSIS: Council may adopt the Resolution as presented, direct staff to change the resolution, or vote not to approve the Resolution.

ACTION OPTION: Motion to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1866 to authorize the restoration of the HURF formula, **OR** Motion not to approve this Resolution. VOTE

RECOMMENDATION: Staff recommends approval of the Resolution.

FISCAL ANALYSIS: It's estimated that due to this diversion of funds to State DPS operations, the Town lost about \$330,000 for the current fiscal year. This is funding that can directly be used to enhance our street maintenance program.

REVIEWED BY:

Management Services Director _____

Town Clerk _____

Town Attorney _____

Town Manager _____

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to _____