



STATE SHARED REVENUE

Prepared by

League of Arizona Cities and Towns
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FY 2024
Preliminary Budget Estimates
March 14, 2023



State Shared Revenues - Preliminary FY 2024 Budget Estimates March 14, 2024

The preliminary estimate of shared revenues for each city and town for FY 2024 is set forth in this report. We obtained the total dollar figures subject to distribution from the Arizona Department of Transportation (ADOT) and the Arizona Department of Revenue (ADOR). Please recognize that the distribution figures are estimates, so the total distribution amounts are subject to change.

Population Figures for Shared Revenue Estimates

As directed by statute, the population figures used for the distribution of state shared revenues during FY 2024 will be based on the official U.S. Census Bureau population estimate for each city and town as of July 1, 2022. The distribution figures in this preliminary report were produced using the Census Bureau's July 2021 population estimate figures. The July 2022 population estimates that will be used for shared revenue distribution are expected to be released in late May. As soon as we receive those figures we will issue the Final version of this report.

U.S. Census Bureau Populations	2021 July 1 Estimate	2022 July 1 Estimate
Designated Population for TPT/HURF/VLT:	5,828,853	
Designated Population for URS:	5,835,264	

Shared Revenue Estimates by Tax Type

The tables found in this report list the distribution of revenue to each city and town from the Vehicle License Tax (VLT), Highway User Revenue Fund (HURF), State Transaction Privilege Tax (TPT) and State Income Tax, also known as Urban Revenue Sharing (URS).

Vehicle License Tax (VLT) – Approximately 20% of the revenues collected by ADOT for the registration of motor vehicles are distributed to cities and towns. These monies are distributed semi-monthly based on collections since the last distribution and may be expended for any municipal public purpose. A city or town receives its share of VLT based on a formula that considers the “county of origin” where vehicles are registered, coupled with its population in relation to the total incorporated population of their county. The ADOT estimate of the cities’ total VLT distribution for FY 2024 is \$326,047,000, approximately (0.13%) lower than last year’s estimate of \$326,457,000.

Highway User Revenue Fund (HURF) – This is sometimes referred to as the “gas tax” but there are a number of additional sources that contribute to the Highway User Revenue Fund, including a portion of VLT revenues and a portion of the excise taxes collected on adult-use marijuana sales. HURF monies are distributed on a monthly basis based on collections since the previous distribution. HURF is restricted by statute – HURF distributions can only be used for street and highway expenditures. Cities and towns receive 27.5% of the

total collections from all sources. One-half of the monies that a city or town receives is allocated based on the municipality's population in relation to the population of all incorporated cities and towns in the state. The remaining half is allocated based on the "county of origin" of gasoline sales and the relation of a municipality's population to the population of all incorporated cities and towns in their county. The ADOT estimate of the cities' total HURF distribution for FY 2024 is \$499,094,000, approximately (0.39%) lower than last year's estimated figure of \$501,038,000.

NOTE: The total figures above and the individual city amounts shown on the attached table do not include the distribution of 3% of HURF collections (est. \$54,447,000) that is separately allocated to cities with populations over 300,000 (Phoenix: \$33,037,895; Tucson: \$10,361,264; and Mesa: \$11,047,841).

State Transaction Privilege Tax (TPT) – Cities and towns share in a portion of the total collections of TPT imposed at the State level. Each tax classification has a designated sharing percentage that goes into the distribution base, and cities receive 25% of the base. Shared TPT is distributed semi-monthly based on collections since the previous distribution and may be expended for any municipal public purpose. A municipality receives its share of the state shared sales tax based solely on the relation of its population to the total population of all incorporated cities and towns. The FY 2024 ADOR estimate for state shared TPT is \$877,470,000, approximately 7.01% higher than last year's estimated figure of \$820,000,000.

State Income Tax (URS) – Originally enacted by the voters in 1972 in exchange for cities and towns giving up the authority to assess local income taxes and local luxury taxes (liquor and tobacco), URS provides that 15% of the net income tax collected during a given fiscal year is distributed to cities and towns. Beginning in FY 2024, cities and towns will receive 18% of the total state income tax collected. Note that the increased sharing percentage itself does not equate to ongoing increased URS distributions. The State's adoption of the 2.5% flat income tax rate will result in reduced income tax collections. The new sharing rate is the result of negotiations intended to minimize the negative impact on cities and towns due to this income tax collection reduction. The amount distributed is based on the total net income tax collections during the fiscal year two years prior to the distribution year. These funds are distributed monthly based on 1/12 of the total available and may be expended for any municipal public purpose. This money is allocated to an individual city or town based solely on its population (or the 1,500 minimum for the nine smallest towns) in relation to the total population of all incorporated cities and towns. The FY 2024 ADOR estimate for URS is \$1,564,820,000, approximately 41.36% higher than last year's estimate of \$1,106,958,676. (Note: This is the only revenue type that is likely to remain unchanged because it is based on collections from two years ago, subject to slight changes due to various adjustments such as late refunds, court decisions, etc.)

In summary, the total estimated shared revenues for distribution to cities and towns in the upcoming fiscal year from each source based on the current state laws are as follows:

Vehicle License Tax	\$326,047,000
Highway User Revenue Fund	\$499,094,000
State Transaction Privilege Tax	\$877,470,000
State Income Tax	\$ 1,564,820,000

Please recognize there is always the possibility of an unforeseen circumstance that could significantly alter these shared revenue forecasts, including changes enacted by the legislature in its current session. If there are any noteworthy changes to any of these numbers, we will deliver revised estimates to you as quickly as possible.

If you have any questions, please give us a call.

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CITY/TOWN	2021 Population	VLT	HURF	TPT (SALES TAX)	URS (INCOME TAX)
APACHE JUNCTION	39,981	\$3,242,711	\$3,869,738	\$6,018,702	\$10,721,549
AVONDALE	90,564	\$4,639,613	\$7,031,759	\$13,633,419	\$24,286,195
BENSON	5,355	\$342,987	\$544,275	\$806,137	\$1,436,029
BISBEE	4,911	\$314,549	\$499,147	\$739,297	\$1,316,964
BUCKEYE	101,315	\$5,190,389	\$7,866,511	\$15,251,864	\$27,169,249
BULLHEAD CITY	42,232	\$3,723,666	\$4,903,688	\$6,357,565	\$11,325,191
CAMP VERDE	12,244	\$1,051,185	\$1,270,444	\$1,843,200	\$3,283,426
CAREFREE	3,685	\$188,783	\$286,118	\$554,736	\$988,192
CASA GRANDE	57,699	\$4,679,752	\$5,584,653	\$8,685,953	\$15,472,916
CAVE CREEK	5,015	\$256,920	\$389,385	\$754,953	\$1,344,853
CHANDLER	279,458	\$14,316,693	\$21,698,261	\$42,069,342	\$74,941,162
CHINO VALLEY	13,492	\$1,158,329	\$1,399,937	\$2,031,073	\$3,618,097
CLARKDALE	4,635	\$397,929	\$480,930	\$697,749	\$1,242,950
CLIFTON	3,847	\$363,204	\$429,953	\$579,124	\$1,031,635
COLORADO CITY	2,520	\$222,193	\$292,605	\$379,358	\$675,779
COOLIDGE	14,709	\$1,192,992	\$1,423,676	\$2,214,279	\$3,944,455
COTTONWOOD	12,440	\$1,068,012	\$1,290,781	\$1,872,706	\$3,335,986
DEWEY-HUMBOLDT	4,455	\$382,475	\$462,253	\$670,651	\$1,194,680
DOUGLAS	16,513	\$1,057,655	\$1,678,359	\$2,485,851	\$4,428,227
DUNCAN	677	\$63,917	\$75,664	\$101,915	\$402,249
EAGAR	4,439	\$439,824	\$1,286,988	\$668,243	\$1,190,389
EL MIRAGE	36,016	\$1,845,107	\$2,796,429	\$5,421,814	\$9,658,270
ELOY	15,450	\$1,253,092	\$1,495,397	\$2,325,828	\$4,143,166
FLAGSTAFF	76,989	\$4,714,971	\$10,341,849	\$11,589,851	\$20,645,840
FLORENCE	26,205	\$2,125,390	\$2,536,367	\$3,944,876	\$7,027,293
FOUNTAIN HILLS	23,819	\$1,220,252	\$1,849,404	\$3,585,690	\$6,387,448
FREDONIA	1,322	\$80,962	\$177,583	\$199,013	\$402,249
GILA BEND	1,887	\$96,671	\$146,514	\$284,067	\$506,029
GILBERT	273,136	\$13,992,816	\$21,207,395	\$41,117,634	\$73,245,816
GLENDALE	249,630	\$12,788,598	\$19,382,293	\$37,579,063	\$66,942,304
GLOBE	7,162	\$617,998	\$996,098	\$1,078,161	\$1,920,606
GOODYEAR	101,733	\$5,211,803	\$7,898,966	\$15,314,789	\$27,281,342
GUADALUPE	5,307	\$271,879	\$412,057	\$798,911	\$1,423,158
HAYDEN	518	\$44,697	\$72,044	\$77,979	\$402,249
HOLBROOK	4,842	\$446,176	\$890,578	\$728,910	\$1,298,460
HUACHUCA CITY	1,624	\$104,017	\$165,061	\$244,475	\$435,502
JEROME	467	\$40,093	\$48,456	\$70,302	\$402,249
KEARNY	1,789	\$145,099	\$173,156	\$269,314	\$479,749
KINGMAN	33,822	\$2,982,142	\$3,927,177	\$5,091,532	\$9,069,914
LAKE HAVASU CITY	58,284	\$5,138,998	\$6,767,535	\$8,774,018	\$15,629,793
LITCHFIELD PARK	6,942	\$355,640	\$539,005	\$1,045,042	\$1,861,609
MAMMOTH	1,113	\$90,271	\$107,727	\$167,550	\$402,249
MARANA	54,895	\$2,960,801	\$4,969,784	\$8,263,841	\$14,720,978
MARICOPA	62,720	\$5,086,987	\$6,070,633	\$9,441,809	\$16,819,378
MESA	509,475	\$26,100,513	\$39,557,720	\$76,695,883	\$136,623,925
MIAMI	1,541	\$132,970	\$214,324	\$231,981	\$413,244

CITY/TOWN	2021 Population	VLT	HURF	TPT (SALES TAX)	URS (INCOME TAX)
NOGALES	19,766	\$2,222,508	\$2,564,067	\$2,975,555	\$5,300,571
ORO VALLEY	47,879	\$2,582,388	\$4,334,608	\$7,207,659	\$12,839,525
PAGE	7,375	\$451,661	\$990,676	\$1,110,226	\$1,977,725
PARADISE VALLEY	12,682	\$649,702	\$984,682	\$1,909,136	\$3,400,883
PARKER	3,338	\$603,787	\$2,500,310	\$502,499	\$895,138
PATAGONIA	793	\$89,166	\$102,869	\$119,377	\$402,249
PAYSON	16,516	\$1,425,140	\$2,297,061	\$2,486,303	\$4,429,031
PEORIA	194,917	\$9,985,640	\$15,134,152	\$29,342,620	\$52,270,132
PHOENIX	1,624,569	\$83,227,017	\$126,138,174	\$244,561,076	\$435,654,336
PIMA	2,905	\$213,169	\$293,798	\$437,316	\$779,023
PINETOP-LAKESIDE	4,102	\$377,987	\$754,471	\$617,511	\$1,100,017
PRESCOTT	46,833	\$4,020,755	\$4,859,415	\$7,050,195	\$12,559,023
PRESCOTT VALLEY	48,188	\$4,137,086	\$5,000,011	\$7,254,176	\$12,922,388
QUARTZSITE	2,358	\$426,522	\$1,766,247	\$354,971	\$632,336
QUEEN CREEK	66,346	\$3,398,920	\$5,151,375	\$9,987,664	\$17,791,748
SAFFORD	10,269	\$753,539	\$1,038,559	\$1,545,886	\$2,753,798
SAHUARITA	35,337	\$1,905,926	\$3,199,148	\$5,319,598	\$9,476,186
SAINT JOHNS	3,388	\$335,689	\$982,274	\$510,026	\$908,547
SAN LUIS	37,333	\$2,157,755	\$3,804,400	\$5,620,074	\$10,011,445
SCOTTSDALE	242,753	\$12,436,288	\$18,848,335	\$36,543,806	\$65,098,126
SEDONA	9,763	\$838,183	\$1,013,014	\$1,469,713	\$2,618,106
SHOW LOW	11,967	\$1,102,724	\$2,201,062	\$1,801,501	\$3,209,144
SIERRA VISTA	45,479	\$2,912,923	\$4,622,425	\$6,846,366	\$12,195,926
SNOWFLAKE	6,364	\$586,424	\$1,170,516	\$958,031	\$1,706,609
SOMERTON	14,311	\$827,140	\$1,458,355	\$2,154,364	\$3,837,725
SOUTH TUCSON	4,585	\$247,295	\$415,092	\$690,222	\$1,229,542
SPRINGERVILLE	1,716	\$170,024	\$497,515	\$258,325	\$460,173
STAR VALLEY	2,532	\$218,482	\$352,153	\$381,165	\$678,997
SUPERIOR	2,479	\$201,063	\$239,941	\$373,186	\$664,784
SURPRISE	149,191	\$7,643,087	\$11,583,799	\$22,459,072	\$40,007,969
TAYLOR	4,119	\$379,554	\$757,598	\$620,070	\$1,104,576
TEMPE	184,118	\$9,432,404	\$14,295,674	\$27,716,949	\$49,374,206
THATCHER	5,310	\$389,648	\$537,029	\$799,362	\$1,423,962
TOLLESON	7,295	\$373,724	\$566,414	\$1,098,182	\$1,956,272
TOMBSTONE	1,307	\$83,713	\$132,842	\$196,755	\$402,249
TUCSON	543,242	\$29,300,143	\$49,181,079	\$81,779,135	\$145,679,089
TUSAYAN	595	\$36,439	\$79,926	\$89,571	\$402,249
WELLTON	2,447	\$141,431	\$249,360	\$368,369	\$656,202
WICKENBURG	7,695	\$394,216	\$597,471	\$1,158,398	\$2,063,538
WILLCOX	3,205	\$205,280	\$325,752	\$482,478	\$859,472
WILLIAMS	3,267	\$200,078	\$438,853	\$491,811	\$876,099
WINKELMAN	297	\$25,628	\$41,307	\$44,710	\$402,249
WINSLOW	8,943	\$824,071	\$1,644,865	\$1,346,271	\$2,398,209
YOUNGTOWN	7,012	\$359,226	\$544,440	\$1,055,580	\$1,880,381
YUMA	97,093	\$5,611,734	\$9,894,212	\$14,616,288	\$26,037,051
TOTALS	5,828,853	\$326,047,000	\$499,094,000	\$877,470,000	\$1,564,820,000

