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[28-6538. Arizona highway user revenue fund distribution; remaining monies; highway fund distribution; contract authorization; regional transportation plan requirements](#)

A. Each fiscal year the department shall allocate and the state treasurer shall distribute revenues of the Arizona highway user revenue fund remaining after the distribution provided in sections 28-6534 and 28-6537 as follows:

1. To the state highway fund, fifty and one-half per cent.
2. To the counties, nineteen per cent.
3. To the incorporated cities and towns, twenty-seven and one-half per cent.
4. To incorporated cities with a population of three hundred thousand or more persons, three per cent.

B. At least twelve and six-tenths per cent of the revenues allocated each year to the state highway fund pursuant to subsection A of this section shall be further distributed in the following proportions and for the following purposes:

1. Seventy-five per cent of the revenues shall be spent, pledged or accumulated in counties with a population of one million two hundred thousand or more persons for the design, right-of-way purchase or construction of controlled access highways that are included in the regional transportation plan of the county and that are accepted into the state highway system either as a state route or as a state highway.
2. Twenty-five per cent of the revenues shall be spent, pledged or accumulated in counties with a population of more than four hundred thousand but less than one million two hundred thousand persons for:
 - (a) The design, right-of-way purchase or construction of controlled access highways that are included in the regional transportation plan of the county and that are accepted into the state highway system either as a state route or as a state highway or related grade separations of controlled access highways that are included in the regional transportation plan of the county.
 - (b) Notwithstanding sections 28-6993 and 28-6995, the design, right-of-way purchase, construction, standard and reduced clearance grade separation, extension and widening of arterial streets and highways that are included in the regional transportation plan of the county.

C. Of the monies allocated to the state highway fund pursuant to subsection A of this section, not more than five million dollars annually shall be spent for the acquisition, construction or improvement of entry roads to state parks or roads in state parks.

D. Expenditures for state matching monies for the federal interstate system shall be in addition to the amount provided in subsection B of this section.

E. The department may contract with a county, city or town to allow the county, city or town to construct the streets or highways prescribed in subsection B of this section.

F. A county described in subsection B of this section and the cities and towns in the county, through their regional planning agency, shall list transportation corridors by priority in the regional transportation plan. The regional transportation plan may also provide a suggested construction schedule for the transportation corridors contained in the plan.

PAG
12.6% Policy

12.6% HURF Funds are available for use on some transportation routes outside the State Highway System. Eligible roadways shall consist of State Routes and State Highways, controlled access highways, and arterial streets and highways as set forth and defined in A.R.S. 28-6538. The PAG Region is committed to maximize potential benefits to the Region from the use of these funds. PAG is likewise committed to maximizing all Federal aid dollars and local dollars which become available for use on the area's transportation improvements.

In furtherance of these commitments, a specific project must meet the following requirements in order to be eligible for the use of 12.6% Funds:

1. The project must conform to and be consistent with the Regional Transportation Plan.
2. The project must be specifically identified and programmed in the approved PAG 5-year Regional Transportation Improvement Program.

In addition, the following may apply

3. Special consideration may be given to those projects which demonstrate regional benefit.
4. 12.6% Funds may be used as a source of local match to Federal aid dollars for projects which are otherwise eligible.
5. 12.6% Funds may be used for design and right-of-way acquisition as well as for construction purposes.
6. In the event a project's actual cost exceeds its programmed cost, the local sponsor shall be responsible for payment of all costs over and above the programmed amount. However, this shall not prohibit the local sponsor from submitting a request to the PAG Regional Council for a program change.