

Representative Doug Coleman

Arizona State Legislature

1700 West Washington St.

Phoenix, AZ 85007

RE: SB#1379

Dear Representative Coleman,

I wanted to notify you that on behalf of the Town of Mammoth, this bill is not required because the Town has spent all of its transportation excise tax as far back as FY2000, or 16 years. Over the 16 years the Town has collected \$1.7 million in transportation excise tax monies and spent \$3.7 million in street expenditures. Therefore, the Town does not owe any funds to repay transportation excise taxes.

The state shared gasoline tax that goes into the Highway User's Revenue Fund has been spent every year dating back to fiscal year 2012 and there is only approximately \$83 thousand left in cash in the HURF fund as of FY15 (the Town's last audit). Since fiscal year 2015, the Town has made great strides in paying back funds that were borrowed from the gasoline tax.

In June of 2015, the Town of Mammoth Town Council adopted a balanced budget and five year financial plan to close the structural deficit of the Town. The Council approved a sales tax increase from 2% to 4%, reduced General Fund expenditures, paid off the balance of an outdated credit card, caught up all payments on past liability insurance claims and negotiated lower overall premiums. The Town also cut expenditures in FY15 and has dramatically cut expenditures in FY16 by not filling the Town Manager, Town Clerk, Finance Manager, Public Works Director and the Police Chief. Unfortunately as such, service levels have decreased in the Town of Mammoth. As a result of all of these financial changes, the Town has been able to continue repaying the HURF fund \$500 a month per the re-payment plan with the Auditor General's office and as with prior fiscal years, the Town has essentially paid back the HURF fund by an additional \$79,689 for a total payback to HURF of \$85,763 in FY15.

Even though SB 1379 does not impact the Town because it has spent all of its transportation excise taxes, the Town has committed to increasing its monthly payback contribution to \$2,500 a month starting in FY18, resulting in a payback of \$30,000. The Town continues to struggle to meet their on-going expenditures but if revenues increase, so will the payback of the gasoline tax revenues.

If SB 1379 passes and Mammoth is ordered to pay \$125,000.00 a year it will be the death of a small town loaded with history. SB 1379 needs to be replaced with a bill that "gives more shared revenue to all small towns." If shared revenue were increased small towns would have a fighting chance to improve their towns: instead the towns get smaller and smaller as new communities become towns and then cities.

**SMALL TOWNS NEED MORE SHARED REVENUE!**

Donald Jones, Town Manager,

Town of Mammoth