
Funds

Overview and Table of Contents

Revenue from state transportation taxes and fees, state bonds, and the state's share of federal funding is placed into state accounts from which appropriations are made for a broad range of transportation purposes. Even revenue that is distributed according to statutory formula and most local option revenues are placed in accounts for distribution by the State Treasurer. With the exception of a few nonappropriated accounts, revenue cannot be spent unless appropriated by the Legislature. Appropriations must specify the account from which revenue will be provided for a certain purpose. State law specifies the purposes for which revenue from a fund or account may be used. For example, the permissible uses of Motor Vehicle Fund (which includes several transportation accounts) revenue are specified in the 18th Amendment of the State Constitution and RCW 46.68.070.

Contained in this section is a discussion of the funds that contain transportation accounts from which revenue is appropriated. Specific accounts are described in the Accounts section that follows this section.

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Description of Major Transportation Funds

State transportation programs are funded mainly by appropriations from accounts within the Motor Vehicle Fund. Two other funds contain accounts that provide revenue for transportation purposes: the Multimodal Transportation Fund, and the Transportation Bond Fund.

Funds are fiscal entities for the purpose of reporting revenue sources that are earmarked for certain programs and expenditures. Transportation funds, like all other state roll-up funds, are comprised of accounts that are used for similar purposes or have similar restrictions. The Accounts section of this manual describes the accounts that provide revenue to support transportation agencies, programs, or projects.

State, federal, and local revenues are recorded separately within each account. Appropriations found in budget bills usually will distinguish the source of revenue. For example, the Department of Transportation receives Motor Vehicle Account-State, Motor Vehicle Account-Federal, and Motor Vehicle Account-Local dollars, all of which are housed in the Motor Vehicle Fund.

Note that in many cases when people refer to the Motor Vehicle Fund, they are referring to the basic account within that fund rather than all of its accounts. In statute, the term "fund" is often used to refer to a single account rather than a grouping of accounts. This manual uses the term "basic account" to signify those entities that in statute are sometimes called funds but act as accounts.

Following is a description of each of the major transportation funds:

MOTOR VEHICLE FUND

The Motor Vehicle Fund was established for the purpose of supporting highway and highway-related programs (RCW 46.68.070). Motor Vehicle Fund revenue comes mainly from federal funds, state motor fuel taxes, and vehicle registration fees.

Under the 18th Amendment of the State's Constitution, which was approved by voters in 1944, expenditures of revenues deposited in this fund are restricted to the support of state, city and county highway maintenance and construction, highway-related activities of the Washington State Patrol, Washington State Ferries, and other highway purposes (*see 18th Amendment of the State Constitution on page 25*). Rail, bus, and air transportation may not be financed with Motor Vehicle Fund dollars. However, Motor Vehicle fund revenues may be used for non-highway purposes in certain circumstances, such as for existing trails on highway right-of-way, where an existing highway severs a trail, or where the use of a trail will materially increase motor vehicle safety.

When people speak of the Motor Vehicle Fund, they often are referring to the Motor Vehicle Account that is the repository for residual state revenue remaining after statutory distributions of gas tax and vehicle registration fees to cities, counties, and other accounts within the fund. The Motor Vehicle Account is the recipient of most federal highway dollars and is the largest transportation account in terms of revenue.

MULTIMODAL TRANSPORTATION FUND

Formally called the Transportation Fund, this fund was established during the 1990 legislative session to be used for general transportation purposes (RCW 82.44.180). Accounts in this fund are not subject to the 18th Amendment requirements specifying "highway purposes." As a result, money from this fund can be used for programs such as transit, aviation, passenger and freight rail, new transportation technologies, as well as for highway purposes. A flexible fund source, multimodal funds have also been used for general fund purposes. Prior to 1990, two accounts that formally comprised the Highway Safety Fund—the Highway Safety Account and the Motorcycle Safety and Education Account—are now included in the Multimodal Transportation Fund.

GENERAL FUND

Some accounts devoted to transportation, such as the Pilotage Account, are included in the General Fund. The term General Fund is often used when referring to the basic account within the General Fund as well as the fund itself. The basic account may also be referred to as the General Fund-State. The General Fund is the account into which most state tax revenue that are not designated for a specific purpose are deposited and which provides revenue for the operations of most nontransportation state agencies. There have been occasions when revenue from the General Fund has been appropriated for transportation purposes.

TRANSPORTATION BOND FUND

This fund contains accounts that serve as repositories for Motor Vehicle Fund revenues that are to be used to pay highway or ferry bond debt. Included in this fund are three accounts: the Highway Bond Retirement Account for debt service on Department of Transportation bonds, the Ferry Bond Retirement Account for debt service on marine bonds authorized in 1977 and 1992, and the Transportation Improvement Board Bond Retirement Account for debt service on Transportation Improvement Board (formally called the Urban Arterial Board) bonds.

Transportation Accounts by Fund

MOTOR VEHICLE FUND

Motor Vehicle Account (108)
Capital Vessel Replacement Account (18J)
County Arterial Preservation Account (186)
Department of Licensing Services Account (201)
Freight Mobility Investment Account (09E)
Highway Infrastructure Account (096)
Puget Sound Ferry Operations Account (109)
Puget Sound Capital Construction Account (099)
Puyallup Tribal Settlement Account (736) (*Inactive account*)
Recreational Vehicle Account (097)
Rural Arterial Trust Account (102)
Small City Pavement and Sidewalk Account (08M)
Special Category C Account (215)
State Patrol Airplane Account (471)
State Patrol Highway Account (081)
Tacoma Narrows Toll Bridge Account (511)
Transportation 2003 Account (Nickel Account) (550)
Transportation Improvement Account (144)
Transportation Partnership Account (09H)
Urban Arterial Trust Account (112) (*Inactive Account*) - Eliminated in 2011 (SB 5797) and revenues transferred to the Transportation Improvement Account (144)

MULTIMODAL TRANSPORTATION FUND

Multimodal Transportation Account (218)
Advance Right-of-Way Revolving Account (880)
Aeronautics Account (039)
Alaskan Way Viaduct Account (535)
Bicycle and Pedestrian Safety Account (282)
Biometric Security Account (487)
Essential Rail Assistance Account (02M)
Federal Local Rail Assistance Account (688)
Freight Congestion Relief Account (14K)
Freight Mobility Multimodal Account (11E)
High-Occupancy Toll Lanes Operations Account (09F)
Highway Safety Account (106)
Ignition Interlock Device Revolving Account (14V)
Impaired Driving Safety Account (281)
King Street Railroad Station Facility Account (432)
Miscellaneous Transportation Programs Account (784)
Motorcycle Safety Education Account (082)
Passenger Ferry Account (203) (*Inactive Account*)
Pilotage Account (025)
Produce Railcar Pool Account (07N)
Public Transportation Grant Program Account (18W)
Public Transportation Systems Account (232)

Regional Mobility Grant Program Account (11B)
Rural Mobility Grant Program Account (153) - Created in HB 1897 (2011)
Transportation Infrastructure Account (094)
Washington Fruit Express Account (509) (*Inactive account*)
SR 520 Corridor Account (16J)
SR 520 Civil Penalties Account (17P)

TRANSPORTATION BOND FUND

Ferry Bond Retirement Account (304)
Highway Bond Retirement Account (303)
Transportation Improvement Board Bond Retirement Account (305)

TRANSPORTATION ACCOUNTS IN MISCELLANEOUS FUNDS

Advanced Environmental Mitigation Revolving Account (789) (Miscellaneous Trust Fund)
Advance Right-of-Way Revolving Account (880) (Miscellaneous Trust Fund)
Air Pollution Control Account (216) (Natural Resources Fund)
Grade Crossing Protective Account (080) (Central Administrative and Regulatory Fund)
High Occupancy Vehicle Account (737) (Local Government Distributions Fund)
License Plate Technology Account (06T) (Central Administrative and Regulatory Fund)
Miscellaneous Program Account (“Grain Train”) (759) (Miscellaneous Trust Fund)
School Zone Safety Account (780) (Miscellaneous Trust Fund)
Transportation Equipment Account (410) (Equipment Revolving Fund)
Vehicle License Fraud Account (04V) (Central Administrative & Regulatory Fund)
Vessel Response Account (07C) (Wildlife and Natural Resources Fund)
Wildlife Account (104) (Wildlife Natural Resources Fund)

