
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. 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. Several other funds contain accounts that provide revenue for transportation purposes, including the Multimodal Transportation Fund, and the Transportation Bond Fund.

Funds are fiscal and accounting entities established within the state treasury for the purpose of accounting for revenue sources that are earmarked for certain programs and expenditures. Transportation funds, like all other state 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 Fund-State, Motor Vehicle Fund-Federal, and Motor Vehicle Fund-Local dollars.

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 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 grants, 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 232). Rail, bus, and air transportation may not be financed with Motor Vehicle Fund dollars. However, fund revenues may be used for facilities for pedestrians, equestrians, and bicyclists in the following cases: 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 high capacity transit, aviation, passenger and freight rail, and new transportation technologies, as well as for highway purposes. The accounts that have historically 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 non earmarked state tax revenue is 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)
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)

MULTIMODAL TRANSPORTATION FUND

Multimodal Transportation Account (218)
Advance Right-of-Way Revolving Account (880)
Aeronautics Account (039)
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 Systems Account (232)
Regional Mobility Grant Program Account (11B)
Transportation Infrastructure Account (094)
Washington Fruit Express Account (509) (*Inactive account*)

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)

18th Amendment of the State Constitution

Art. 2 Sec 40 HIGHWAY FUNDS. All fees collected by the State of Washington as license fees for motor vehicles and all excise taxes collected by the State of Washington on the sale, distribution or use of motor vehicle fuel and all other state revenue intended to be used for highway purposes, shall be paid into the state treasury and placed in a special fund to be used exclusively for highway purposes. Such highway purposes shall be construed to include the following:

(a) The necessary operating, engineering and legal expenses connected with the administration of public highways, county roads and city streets;

(b) The construction, reconstruction, maintenance, repair, and betterment of public highways, county roads, bridges and city streets; including the cost and expense of (1) acquisition of rights-of-way, (2) installing, maintaining and operating traffic signs and signal lights, (3) policing by the state of public highways, (4) operation of movable span bridges, (5) operation of ferries which are a part of any public highway, county road, or city street;

(c) The payment or refunding of any obligation of the State of Washington, or any political subdivision thereof, for which any of the revenues described in section 1 may have been legally pledged prior to the effective date of this act;

(d) Refunds authorized by law for taxes paid on motor vehicle fuels;

(e) The cost of collection of any revenues described in this section:

Provided, That this section shall not be construed to include revenue from general or special taxes or excises not levied primarily for highway purposes, or apply to vehicle operator's license fees or any excise tax imposed on motor vehicles or the use thereof in lieu of a property tax thereon, or fees for certificates of ownership of motor vehicles. [1943 House Joint Resolution No. 4, p. 938. Approved November, 1944.]