

---

# Transportation Budget & Key Legal Information

## Table of Contents

|   |    |
|---|----|
| Transportation Budget & Key Legal Information ..... | 1  |
| State Budgeting Overview .....                      | 2  |
| 2021-23 Transportation Budget Overview .....        | 4  |
| Transportation Operating Budget .....               | 5  |
| Transportation Capital Budget .....                 | 6  |
| Revenue Sources for the Transportation Budget ..... | 7  |
| Distribution of the 49.4¢ Fuel Tax .....            | 8  |
| Licenses, Permits and Fees .....                    | 10 |
| Bonds .....   | 12 |
| Federal Funding .....                               | 14 |
| Transportation Budget Process .....                 | 15 |
| Miscellaneous Budget Information .....              | 16 |
| Recent Transportation Revenue Packages .....        | 17 |
| Recent Initiatives .....                            | 29 |
| 18th Amendment to the Constitution .....            | 37 |

# State Budgeting Overview

The Legislature makes its biennial appropriations in three budget bills. These bills and their associated documents are available online at <http://leap.leg.wa.gov/>.

## **OPERATING BUDGET**

### Purpose:

- Pays for the day-to-day operating expenses of state government, including the expenses of state agencies, colleges and universities, public schools, and other state programs.
- The operating budget pays the principal and interest on bonds sold to finance the capital budget as well, from the General Fund.

### Source:

- About half of the operating budget is financed through the State General Fund. The State General Fund receives about 84% of its revenues from three tax sources: retail sales and use tax (52.6%), business and occupation tax (19.7%), and property tax (10.8%). The remainder of State General Fund revenues are derived from a variety of other taxes such as real estate excise taxes and public utility taxes as well as several nontax sources such as license fees and investment earnings.
- The remainder of operating budget revenues comes from estates taxes, lottery proceeds, and from federal and other funding sources.

## **CAPITAL BUDGET**

### Purpose:

- Pays for the acquisition and maintenance of state buildings, public schools, higher education facilities, prisons, public lands, parks, and other capital facilities.
- The capital budget often includes re-appropriations for projects funded in a prior biennium but not fully completed within that timeframe.

### Source:

- A significant share of the capital budget is financed by state-issued bonds. The debt service on the bonds is paid primarily by the operating budget. Debt service is limited by the State Constitution to 8.25% percent of the average of the prior six years' general state revenues, defined as all unrestricted state tax revenues. This limit is reduced to 8 percent beginning on July 1, 2034.
- The remainder of the capital budget is financed from dedicated accounts, federal funds, trust revenue, and other state funding sources.

## **TRANSPORTATION BUDGET**

### Purpose:

- Pays for transportation operating and capital costs, such as maintaining, preserving, and improving the highway system; operating ferries; motor vehicle registration; and enforcing traffic laws on the state highway system. For the 2021-23 biennium, capital program appropriations represent \$6.5 billion of the transportation budget, and operating programs total \$5.7 billion, of which \$1.8 billion is provided for debt service. These totals represent changes made in the 2022 session and include changes made in two supplemental bills: a regular supplemental and a new revenue supplemental.

### Source:

- The primary sources of funding for the 2021-23 regular supplemental transportation budget are motor vehicle fuel taxes (32%); federal funds (24%); vehicle license, permits, and fees (16%); bonds (5%); ferry revenue (3%); tolls (4%); and other sources (16%).

- An additional new revenue supplemental bill passed in 2022, known as Move Ahead WA (MAW). Revenues associated with this proposal are itemized in the ‘Recent Revenue Packages’ section beginning on page 17.

## 2021-23 Transportation Budget Overview

The transportation budget appropriates operating *and* capital funding to agencies that provide a wide variety of transportation functions and services. Operating programs are the day-to-day expenses of running an agency or program including salaries, benefits, and goods and services such as supplies and fuel. Capital programs are projects that are longer lived including construction of roads, buildings, ferry terminals, and building or refurbishing vessels.

The major agencies include the Department of Transportation (WSDOT), the Department of Licensing (DOL), and the Washington State Patrol (WSP). Many smaller transportation agencies and committees are also funded through the transportation budget including the Transportation Improvement Board (TIB), County Road Administration Board (CRAB), Traffic Safety Commission, and the Joint Transportation Committee.

Total appropriations in the 2021-23 regular biennial transportation budget, including the changes made in the 2022 Supplemental, are \$11.65 billion. Of that amount, 52% is for capital purposes, and 48% is for operating purposes.

In addition to information on the most recent proposed and enacted budgets, the LEAP Transportation Documents with the most recent project lists can be found at: <http://fiscal.wa.gov/>, chose links under the “TRANSPORTATION BUDGET” header.

In the larger agencies, such as the Department of Transportation, funding is appropriated by program. Programs are a defined set of activities within an agency. In cases where programs have both operating and capital elements, separate appropriations are made for the operating and capital components.

## Transportation Operating Budget

Of the total 2021-23 transportation operating budget the major expenditure categories are shown below. The majority of the operating budget is accounted for by five programs and agencies: payment of bond debt; the ferry system; Washington State Patrol; highway maintenance; and the Department of Licensing.

### Transportation Operating Budget

Based on the 2022 Supplemental Budget

| Agency/Program, 2021-23   | Dollars<br>(1000s) | Share of<br>budget |
|---|--------------------|--------------------|
| <b>Bond Retirement and Interest</b>                                     | 1,774,312          | 32%                |
| <b>Special Appropriations to the Governor*</b>                          | 600,000            | 11%                |
| <b>WSDOT - Program X - WA State Ferries</b>                             | 587,298            | 11%                |
| <b>Washington State Patrol</b>  | 550,654            | 10%                |
| <b>WSDOT - Program M - Highway Maintenance</b>                          | 534,454            | 10%                |
| <b>Department of Licensing</b>  | 376,818            | 7%                 |
| <b>WSDOT - Program V - Public Transportation</b>                        | 287,983            | 5%                 |
| <b>Program B - Toll Operations &amp; Maintenance</b>                    | 140,074            | 3%                 |
| <b>WSDOT - Program C - Information Technology</b>                       | 111,252            | 2%                 |
| <b>WSDOT - Program U - Charges from Other Agencies</b>                  | 107,364            | 2%                 |
| <b>WSDOT - Program Q - Traffic Operations</b>                           | 77,602             | 1%                 |
| <b>WSDOT - Program T - Transportation Planning, Data &amp; Research</b> | 69,889             | 1%                 |
| <b>WSDOT – Program Y - Rail</b>   | 68,976             | 1%                 |
| <b>WSDOT – Program H - Program Delivery Management &amp; Support</b>    | 59,512             | 1%                 |
| <b>WSDOT – Program S - Transportation Management</b>                    | 44,574             | 1%                 |
| <b>WSDOT – Program D - Facilities</b>                                   | 36,877             | 1%                 |
| <b>WA Traffic Safety Commission</b>                                     | 33,759             | 1%                 |
| <b>Other Transportation Agencies</b>                                    | 102,765            | 2%                 |

\* This expenditure item represents deposit of federal American Recovery and Reinvestment Act revenues that support a variety of programs.

## Transportation Capital Budget

Of the total 2021-23 transportation capital budget the major expenditure categories are shown below.

### Transportation Capital Budget Based on the 2022 Supplemental Budget

| Agency/Program, 2021-23                            | Dollars (1000s) | Share of budget |
|--|-----------------|-----------------|
| <b>WSDOT - Improvements</b>                        | 3,663,335       | 60%             |
| <b>WSDOT - Preservation</b>                        | 992,723         | 16%             |
| <b>WSDOT - WA State Ferries</b>                    | 505,514         | 8%              |
| <b>WSDOT - Local Programs</b>                      | 392,125         | 6%              |
| <b>Transportation Improvement Board</b>            | 219,770         | 4%              |
| <b>WSDOT - Rail</b>                                | 134,036         | 2%              |
| <b>County Road Administration Board</b>            | 101,137         | 2%              |
| <b>Freight Mobility Strategic Investment Board</b> | 31,773          | 1%              |
| <b>WSDOT - Facilities Capital</b>                  | 22,233          | 0.4%            |
| <b>WSDOT – Traffic Operations</b>                  | 19,743          | 0.3%            |
| <b>Washington State Patrol</b>                     | 4,803           | 0.1%            |

## Revenue Sources for the Transportation Budget

The revenues available for transportation purposes may be classified into four categories: state (including taxes and fees); bonds; federal; and local. These resources are appropriated for spending through the transportation budget bill. Amounts distributed by statute directly to cities and counties are not appropriated in the budget (and are not included in chart totals). The various sources of monies used in the transportation budget are displayed in the table below.

### 2021-23 Biennium Transportation Revenue 2022 Regular Supplemental

| <b>Source of revenue</b>         | <b>\$ millions</b> | <b>Share of total<br/>2021-23 revenue</b> |
|----------------------------------|--------------------|---|
| Fuel Tax                         | \$3,421            | 32%                                       |
| Federal Funds                    | \$2,545            | 24%                                       |
| Vehicle Related fees             | \$1,739            | 16%                                       |
| Move Ahead WA loan*              | \$600              | 6%  |
| Bond Proceeds                    | \$548              | 5%  |
| Tolls                            | \$417              | 4%  |
| Other State                      | \$402              | 4%  |
| Ferry Fares                      | \$378              | 4%  |
| Driver Related fees              | \$317              | 3%  |
| 0.3% Motor Vehicle Sales/use tax | \$119              | 1%  |
| Local Funds                      | \$87               | 1%  |
| Rental Car Sales/Use tax         | \$77               | 1%  |
| Total 21-23 revised for 2022     | \$10,651           |   |

Based on February 2022 Revenue Forecast & other sources

## Distribution of the 49.4¢ Fuel Tax

- 11.95 cents is distributed to local governments, either directly or through grants distributed by the Transportation Improvement Board and the County Road Administration Board.
  - Separately, the Connecting Washington Act directs the State Treasurer to make regular transfers from the Motor Vehicle and Multimodal accounts to the cities and counties, with funds proportioned evenly between cities and counties (RCW 46.68.126). The total biennial distribution to be split between cities and counties is \$50.2 million.
- The remaining 37.45 cents is retained by the state and appropriated or distributed via the transportation budget.

| Account/Distribution                        | Cents | \$ Millions | Share of total \$ |
|---|-------|-------------|-------------------|
| <b>Connecting Washington Account</b>        | 11.9  | 759         | 24%               |
| <b>Motor Vehicle Account*</b>               | 10.2  | 662         | 21%               |
| <b>Transportation Partnership Account</b>   | 8.5   | 543         | 17%               |
| <b>2003 Transportation "Nickel" Account</b> | 5.0   | 319         | 10%               |
| <b>Distribution to Counties*</b>            | 4.9   | 276         | 9%                |
| <b>Transportation Improvement Board</b>     | 3.0   | 196         | 6%                |
| <b>Distribution to Cities</b>               | 3.0   | 184         | 6%                |
| <b>Ferry Capital and Operating</b>          | 1.1   | 85          | 3%                |
| <b>Country Road Administration Board</b>    | 1.0   | 66          | 2%                |
| <b>Special Category C Account</b>           | 0.8   | 48          | 2%                |
| <b>TOTAL</b>                                | 49.4  | 3,138       | 100%              |

Based on February 2022 Revenue Forecast.

\*Includes amounts withheld under [RCWs 46.68.110\(1\)](#), [46.68.110\(2\)](#), and [46.68.090\(2\)\(h\)](#).

- **Connecting Washington Account** – 11.9 cents deposited into the Connecting Washington Account for designated projects and distributions to other entities.
- **Motor Vehicle Account/State Highway Program**– 10.21 cents deposited into the Motor Vehicle Account. Primarily used for state highway related expenditures.
- **Special Category C** - 0.75 cents deposited into the Motor Vehicle Account for high-cost highway projects.
- **Ferry Capital** - 0.55 cents deposited into the Puget Sound Capital Construction Account for the construction and maintenance of the state’s ferries and terminals.
- **Ferry Operations** - 0.54 cents deposited into the Puget Sound Ferry Operations Account for the operation of the state ferry system.
- **Transportation 2003 (Nickel) Account** – 5 cents deposited into the Transportation 2003 (Nickel) Account for designated projects. This amount will expire when the projects are completed and the bonds associated with this revenue stream are retired.
- **Transportation Partnership Account 2005 (TPA)** – 9.5 cents deposited into the Transportation Partnership Account for designated projects. 1 cent of the 9.5 cents is distributed directly to cities (1/2) and counties (1/2).



- **Cities** – 2.96 cents distributed directly to cities based on population, for construction, maintenance, and policing of city streets.
- **Counties** – 4.92 cents distributed directly to counties for construction, maintenance, and policing of county roads. Of this amount, 10% is evenly distributed, 30% by population, 30% based on annual road costs, and 30% based on needs for construction and maintenance.
- **Transportation Improvement Board**
  - **Transportation Improvement Program**– 3.04 cents distributed by the Transportation Improvement Board as grants for congestion projects primarily in cities. However, historically approximately 0.72 cents of this amount has gone to county projects.
  - **Small City Pavement and Sidewalk Program** - 0.03 cents distributed to cities with populations of 5,000 or less.
- **County Road Administration Board**
  - **Rural Arterial Program** - 0.58 cents deposited into the Rural Arterial Trust Account. The account is administered by the County Road Administration Board and the funds are distributed to counties as grants for construction and reconstruction of rural arterials.
  - **County Arterial Preservation Program** - 0.45 cents deposited in the County Arterial Preservation Account distributed by the County Road Administration Board for structural integrity and safety of county arterials.

## Licenses, Permits and Fees

Licenses, permits, and fee revenues are primarily generated from the \$30 vehicle license fee and the combined license fee paid by trucks (commonly called the gross weight fee). Other fees include title fees, vehicle inspection fees, special permit fees, drivers' licenses, and other driver-related fees.

Licenses, permits, and fees are the second largest source of state funds for transportation, and are distributed as follows:

### 2021-23 Distribution of License, Permit, and Fee Revenue

| Account receiving fee revenue       | \$ millions   | Share of total |
|-------------------------------------|---------------|----------------|
| Highway Safety Fund                 | 7.5           | 0.4%           |
| Freight Mobility Multimodal Account | 6             | 0.3%           |
| State Ferries Operating Account     | 20.7          | 1.2%           |
| Transportation Partnership Account  | 68.9          | 4.0%           |
| Transportation 2003 Nickel Account  | 98.3          | 5.7%           |
| Multimodal Transportation Account   | 422.9         | 24.3%          |
| Motor Vehicle Account               | 570.6         | 32.8%          |
| Capital Vessel Replacement Account  | 49.7          | 2.9%           |
| State Patrol Highway Account        | 440.8         | 25.4%          |
| Motorcycle Safety Education Account |               | 0.0%           |
| Recreational Vehicle Account        | 1.7           | 0.1%           |
| License Plate Technology Account    | 3.8           | 0.2%           |
| DOL Services Account                | 7.6           | 0.4%           |
| Abandoned RV Service Account        | 3.3           | 0.2%           |
| Multiuse Roadway Safety Account     | 0.4           | 0.0%           |
| Electric Vehicle Account            | 33            | 1.9%           |
| Rural Arterial Trust Account        | 1.8           | 0.1%           |
| Transportation Improvement Account  | 1.8           | 0.1%           |
| <b>TOTAL</b>                        | <b>1738.8</b> | <b>100.0%</b>  |

Based on February 2022 Revenue Forecast.

➤ **Vehicle License Fees**

This fee is the annual registration fee for cars, motorcycles, travel trailers, trailers and motor homes. Of the \$30 license fee, \$23.60 is distributed to the State Patrol Highway Account. The Puget Sound Ferry Operating Account receives \$2.02 for originals and \$0.93 for renewals and the Motor Vehicle Account receives the remaining revenue.

The license fee by weight, which is also referred to as the combined licensing fee, is collected from trucks based on vehicle gross weight. This fee is distributed to the State Patrol Highway Account (22.36%), Puget Sound Ferry Operations Account (1.375%), Nickel Account (5.237%), Transportation Partnership Account (11.533%) and the Motor Vehicle Account (59.495%). In 2015, an additional freight project fee equal to 15% of the license fee by weight was imposed on trucks over 10,000 pounds. Beginning July 1, 2022, in addition to the license fee based on declared gross weight, a vehicle with a declared gross weight of less than or equal to 12,000 pounds, unless specifically exempt, an additional weight fee of ten dollars applies.

The passenger vehicle weight fee was established in 2005. Increased in 2015 (and effective in 2016 and 2022), the fee ranges from \$35 to \$82 per vehicle. These fees are distributed to the Multimodal Account; however, \$6 million per biennium is transferred to the Freight Mobility Multimodal Account.

➤ **Driver Licenses**

The Department of Licensing collects fees to cover costs associated with licensing drivers. In recent years, a portion of these funds have been transferred to other accounts. The fees that generate the greatest amount of revenue are driver license fees and the sale of drivers abstracts. Other license fees include motorcycle and commercial drivers' license endorsements.

➤ **Vehicle Sales Tax**

The 2003 new revenue legislation created a 0.3% sales tax on vehicle purchases. These revenues, along with the rental car sales tax, generate most of the funds used for non-highway purposes.

➤ **Rental Car Sales Tax**

Washington State has a 5.9% sales tax on rental cars. In terms of flexible revenue sources, the rental car tax is the second largest contributor to the Multimodal Transportation Account.

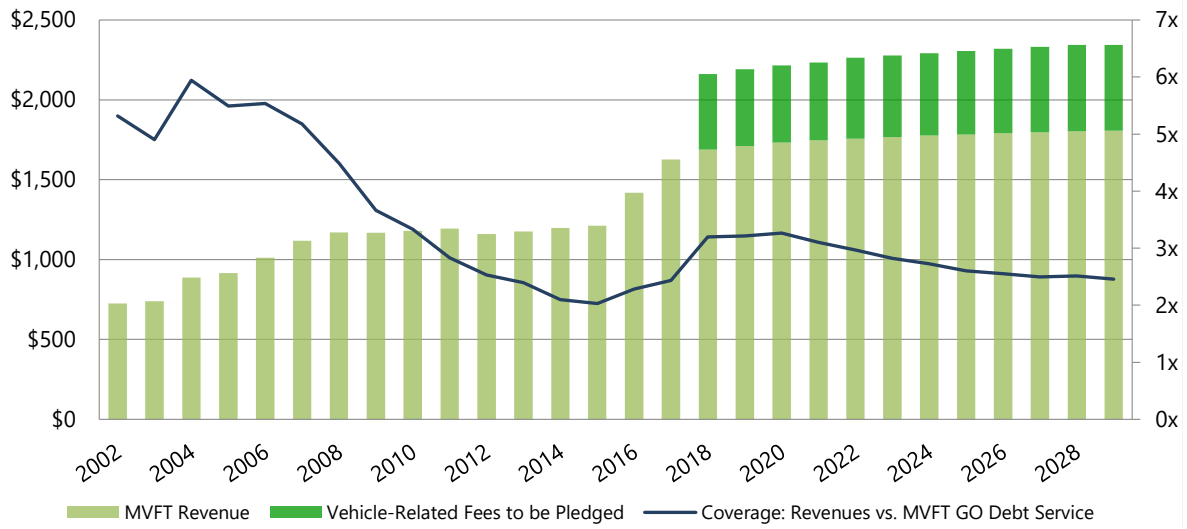
➤ **Other Revenue**

Other revenue sources include interest earnings on fund balances, aircraft fuel taxes, ferry concessions, speeding fines in school zones, sales of Department of Transportation right-of-ways, WSP access fees, breathalyzer test fees, DUI cost reimbursement, terminal safety inspection fees, commercial vehicle penalties, communication tower leases, ignition interlock vendor fees, and transfers from existing fund balances.

## Bonds

- Initially, cash was used to pay for transportation improvements. During and after the 1930s, however, public debt was incurred for highway construction projects.
- Debt financing has increased or decreased, depending on the availability of tax revenues and the magnitude of needed improvements.
- Transportation bonds are ultimately backed by the full faith and credit of the state (general obligation) but have other sources of repayment that constitute the primary source for debt service. Highway bonds are first backed by gas tax revenues and are exempt from statutory or constitutional debt limits.
- In 1998, Referendum 49 was approved by the voters, authorizing \$1.9 billion in bonds for the location, design, right of way, and construction of state and local highway improvements. The bonds were backed by gas tax revenues.
- In 2003, \$2.6 billion in bonds were authorized for transportation projects backed by a five cent increase in the gas tax. Also in 2003, \$349 million in bonds were authorized and backed by revenues from the Multimodal Transportation Account. These multimodal account bonds are subject to the state's debt limit.
- In 2005, \$5.1 billion in bonds were authorized for sale to provide funds for the location, design, right of way, and construction of selected projects and improvements identified as 2005 Transportation Partnership Projects. These bonds were backed by revenues from a phased-in 9.5 cent per gallon gas tax increase.
- In 2007, the bond authorization for Special Category C improvements was increased from \$330 million to \$600 million. The bond authorization for Transportation 2003 projects was increased from \$2.6 billion to \$3.2 billion, and the bond authorization for Transportation 2005 projects was increased from \$5.1 billion to \$5.3 billion. The bond authorization for urban arterials was also increased by \$50 million.
- In 2009, \$1.95 billion of SR 520 bonds were authorized to pay for State Route 520 corridor projects, including the replacement of the floating bridge and east side connections. The SR 520 bonds are first payable by tolls and then backed by gas tax revenues and the full faith and credit of the state. This is in contrast to the Tacoma Narrows Bridge bonds which are first payable by gas tax revenues and reimbursed from toll revenue.
- In 2015, \$5.3 billion in bonds were authorized for sale to provide funds for the location, design, right of way, and construction of selected projects and improvements identified as Connecting Washington Act projects. These bonds were backed by revenues from a phased-in 11.5 cent per gallon gas tax increase and motor vehicle license fees used for highway purposes.
- In 2019, \$1.5 billion in bonds were authorized to pay for improvements on I-405 (up to \$1.16 billion in bond proceeds) and the Puget Sound Gateway project (up to \$340 million in bond proceeds) These bonds are general obligation bonds that must first be paid from toll revenues, gas taxes and vehicle related fees.

## Transportation Revenues: MVFT and Vehicle-Related Fees (\$ millions)



\*Debt service projections from 2022 enacted transportation budget

Sources: Transportation Revenue Forecast Council, Office of the State Treasurer, OPR & SCS

## Federal Funding

- The current surface transportation authorization bill is the Infrastructure Investments and Jobs Act (IIJA). The IIJA was passed by Congress and signed by the President in November 2021 and will expire on September 30, 2026.
- The IIJA provides the majority of Federal-aid highway funds to the states through apportionment to core programs. The IIJA core programs are the following: National Highway Performance Program, National Highway Freight Program, Surface Transportation Block Grant Program, Congestion Mitigation & Air Quality Improvement Program, and Highway Safety Improvement Program. The IIJA requires FHWA to divide the total federal apportionment among the states using an allocation process specified in law. The federal apportionment is then distributed between the state's core programs using formula calculation set in the IIJA.
  - The IIJA added four new formula programs: Carbon Reduction, Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT), Bridge Formula, and National Electric Vehicle Infrastructure (NEVI).
- The state receives federal apportionments and allocations from a variety of Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) programs. Federal funding is an important supplement and complement to state transportation funding. Over the past 10 years, federal funds on average have made up 30% of Washington's highway budget. They provided 20.4% of WSDOT's 2019-21 budget and are projected to provide 25.7% of WSDOT's 2021-23 budget.
- Previous federal transportation authorization legislation:
  - The Fixing America's Surface Transportation (FAST) Act was enacted by Congress on December 4, 2015 and will expire on September 30, 2020.
  - The Moving Ahead for Progress in the 21st Century Act (MAP-21) was enacted by Congress in June of 2012, authorizing federal funding through Federal Fiscal Year (FFY) 2014 with extensions provided until enactment of the FAST Act.
  - The Safe, Accountable, Flexible, Efficient Transportation Equity Act (SAFETEA-LU) provided four years of funding (FFYs 2005 through 2009) with continuing resolutions through FFY 2011.
  - The Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21) was enacted for a six-year period (FFYs 1998-2003).
  - The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) expired in 1997.

*See Federal Funding section on page 187 for additional details.*

## Transportation Budget Process

- Each summer all state agencies, including those funded by the transportation budget, prepare budget submittals per instructions from the Office of Financial Management (OFM). In even numbered years the agencies are preparing for the upcoming biennial budgets and in odd numbered years they are preparing for the first supplemental budget.
- In even numbered years, in December, the Governor submits a biennial transportation budget to the Legislature, which contains proposed expenditures for each of the transportation agencies. (This is done according to [RCW 43.88.030](#) and [RCW 43.88.060](#)).
- Each year the Governor's budget is introduced in both the House and Senate but, by tradition, the House and Senate alternate each biennium in initiating the passage of the budget. In 2023, the House will likely release their budget first. It is also customary for the first legislative budget to be released shortly after the spring revenue forecast. In odd numbered years, the forecast is released in mid-March, in even numbered (supplemental budget) years, the forecast occurs in February.
- After the Governor's budget is introduced and referred to the House and Senate transportation committees, the following typically occurs:
  - The Governor's budget office presents the Governor's budget recommendations;
  - Agencies present their budget requests to the committees;
  - Public hearings are held;
  - Work sessions are held to provide members an opportunity to debate issues, ask questions, explore issues, and develop potential amendments to the budget;
  - The committee chair of the initiating chamber presents a budget proposal for the committee's consideration; and
  - An executive session is held to vote on the chair's proposed budget bill and consider possible committee amendments.
- After the budget bill is passed out of the transportation committee, it is sent to the full House or Senate body for consideration.
- The Rules Committee has responsibility for scheduling floor action on the budget bill (and all others) on the floor of the House or Senate.
- Once the bill is on the Second Reading calendar, any member of the legislative body can offer amendments.
- A simple majority vote is required for Final Passage (called Third Reading). (A 60% vote of both houses is required for Final Passage of bond authorization bills.)
- If passed, the budget bill goes to the opposite legislative body where the entire process is repeated.
- Usually, the budget bill passed by one legislative body is not identical to that passed by the other. If neither House nor Senate is willing to accept the other's version, differences are often resolved by appointing members from each legislative body to a Conference Committee.
- A simple majority vote by each legislative body is then necessary for adoption of the Conference version of the budget. Amendments to the Conference version are not permitted.
- The budget, as adopted, is then sent to the Governor's Office for signature and enactment. The Governor may veto whole sections of a budget bill or individual provisions in their entirety.

## Miscellaneous Budget Information

- The state budget is developed on a biennial basis starting July 1 of each odd-numbered year. State fiscal years run from July 1 to June 30. State agency appropriations are made either by fiscal year or for the biennium, depending on the account and fund source. The federal government budgets for one year at a time, with a fiscal year that starts on October 1. Local governments generally have annual budgets based on the calendar year.
- Appropriation sections in budget bills are not codified (i.e., are not incorporated into the Revised Code of Washington (RCW)). Language in these sections lapses at the end of the biennium that it addresses. Codified law may be modified in an appropriations bill if the total section of law is set forth and the modification relates to fiscal matters.
- Expenditure authority of agencies is limited by appropriation levels and proviso language included in budget legislation.
- Bills other than budget bills may also contain appropriations.
- The Governor is required to propose a biennial budget to the Legislature by December 20 preceding odd year legislative sessions. Supplemental budgets are to be submitted not fewer than 20 days prior to legislative session.
- The Governor may veto whole sections of the budget bill or individual provisions in their entirety.
- A biennial budget may be amended during the biennium it addresses in a supplemental budget bill. Supplemental budgets are commonly adopted in each of the two regular sessions that occur during a biennium.
- During the legislative session, budgets and bills required to complete the budget are exempt from the normal cutoff dates, as outlined each year in the House and Senate session cutoff calendars.
- Bills authorizing the sale of bonds require a 60% vote for Final Passage. A simple majority is required on all prior votes and in committee.
- Beginning with the 1990 transportation revenue increase, the Legislature has provided project-specific direction. In 1990, the Legislature established the Special Category C program which initially earmarked the additional portion of the gas tax to improvements on Seattle's First Avenue South Bridge (State Route 509), State Route 18, and the Spokane North-South Freeway.