

# FINAL BILL REPORT

## EHB 1533

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C 189 L 97

Synopsis as Enacted

**Brief Description:** Using county road funds.

**Sponsors:** Representatives Sehlin, Quall, K. Schmidt, D. Schmidt, Scott and Hankins.

**House Committee on Transportation Policy & Budget**  
**Senate Committee on Transportation**

**Background:** Revenues derived from the excise tax on motor vehicle fuel (gas tax) are dedicated to highway purposes— by the 18th Amendment of the Washington State Constitution. The gas tax is collected by the Department of Licensing and deposited into the motor vehicle fund. Distributions and appropriations, including distributions to cities and counties, from the motor vehicle fund are dedicated to highway purposes.—

Risk management and insurance expenditures related to highways have historically qualified as a highway purpose.— A 1995 Skagit County audit, conducted by the state Auditor’s Office, raised questions as to the validity of these expenditures.

**Summary:** Risk management, insurance, and self insurance programs are added to the list of eligible expenditures for the county road fund when directly related to county road purposes. The requirement to use the money paid into the county road fund from the motor vehicle fund for proper county road purposes is extended to all monies paid into the county road fund.

**Votes on Final Passage:**

House 97 0

Senate 45 0

**Effective:** July 27, 1997