

3. ACCOUNTING

3.8 Expenditures

3.8.10 Paths and Trails – Accounting

- 3.8.10.10 Under Chapter [47.30](#) RCW, certain cities, towns, and counties may use a portion of their motor vehicle fuel tax funds to establish and maintain paths and trails for pedestrians, equestrians or bicyclists as a part of streets, roads and highways.
- 3.8.10.20 The amount a city or county expends annually must be at least .42 percent of the total amount of funds received from the motor vehicle fund according to the provisions of RCW [46.68.090](#). In lieu of expending the funds each year, however, a city or county may set aside such funds into a financial reserve account or a separate fund to be held for this specific purpose provided it is expended within ten years.
- 3.8.10.30 Chapter [47.30](#) RCW is limited to those cities in which the .42 percent exceeds \$500 per year and to those counties in which the .42 percent exceeds \$3,000 per year. In effect, this means that the annual income from motor vehicle fuel tax must exceed approximately \$120,000 for a city or approximately \$715,000 for a county before it is mandatory to fund paths and trails. Cities and counties with less annual income from motor vehicle fuel tax may fund paths and trails, but are not required to do so.
- 3.8.10.40 Also, per the Attorney General Memorandum dated June 7, 1982, until a city or county has set up a comprehensive plan for arterial streets and roads as required by RCW [47.26.170](#), they are not required to allocate any portion of the motor vehicle funds to a paths and trails fund. If the local government wishes to receive urban arterial trust moneys, they must have a comprehensive plan which includes provisions for paths and trails. Once a plan is set up, the requirements of RCW [47.30.050](#) apply.
- 3.8.10.50 Revenues from the motor vehicle fuel tax should be deposited in the respective city street, arterial street, or county road fund and be credited to the appropriate 336 account. All expenditures for paths and trails should be made from the city street, arterial street or county road fund. Account 59562P0 should be charged for construction, 54162P0 for preservation (GAAP entities using modified approach to infrastructure only), and 54262P0 for maintenance.
- 3.8.10.60 In the event the expenditures accumulated in these accounts at the end of each year do not equal the percentage of motor vehicle fuel tax revenue reserved for this exclusive use, the unexpended balance should be set aside (either in the fund or in a separate fund).
- 3.8.10.70 Cities or counties exercising the financial reserve option should classify the unspent motor vehicle fuel tax as restricted/reserved within the fund balance. Cities or counties exercising the special fund option should create a paths and trails reserve fund.