
SUBSTITUTE SENATE BILL 5194

State of Washington

69th Legislature

2025 Regular Session

By Senate Ways & Means (originally sponsored by Senators Trudeau, Schoesler, Chapman, Dozier, and Nobles; by request of Office of Financial Management)

READ FIRST TIME 04/04/25.

1 AN ACT Relating to state general obligation bonds and related
2 accounts; adding new sections to chapter 43.100A RCW; and declaring
3 an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **PART I**

6 **2023-2025 AND 2025-2027 BIENNIAL BOND AUTHORIZATION**

7 NEW SECTION. **Sec. 101.** For the purpose of providing funds to
8 finance the projects described and authorized by the legislature in
9 the omnibus capital and operating appropriations acts for the
10 2023-2025 and 2025-2027 fiscal biennia and future biennia, and all
11 costs incidental thereto, the state finance committee is authorized
12 to issue general obligation bonds of the state of Washington in the
13 sum of \$4,900,622,000, or as much thereof as may be required, to
14 finance these projects and all costs incidental thereto. Bonds
15 authorized in this section may be sold at such price as the state
16 finance committee shall determine. No bonds authorized in this
17 section may be offered for sale without prior legislative
18 appropriation of the net proceeds of the sale of the bonds.

1 NEW SECTION. **Sec. 102.** (1) The proceeds from the sale of bonds
2 authorized in section 101 of this act shall be deposited in the state
3 building construction account created by RCW 43.83.020. The proceeds
4 shall be transferred as follows:

5 (a) \$4,417,751,000 to remain in the state building construction
6 account created by RCW 43.83.020;

7 (b) \$482,871,000 to the state taxable building construction
8 account. All receipts from taxable bonds issued are to be deposited
9 into the account. If the state treasurer, on behalf of the state
10 finance committee, deems it necessary or advantageous to issue more
11 than the amount specified in this subsection (1)(b) as taxable bonds
12 in order to comply with federal internal revenue service rules and
13 regulations pertaining to the use of nontaxable bond proceeds or in
14 order to reduce the total financing costs for bonds issued, the
15 proceeds of such additional taxable bonds shall be transferred to the
16 state taxable building construction account or any other taxable bond
17 accounts in lieu of any transfer otherwise provided by this section.
18 If the state treasurer, on behalf of the state finance committee,
19 determines that a portion of the amount specified in this subsection
20 (1)(b) as taxable bonds may be issued as nontaxable bonds in
21 compliance with federal internal revenue service rules and
22 regulations pertaining to the use of nontaxable bond proceeds, then
23 such bond proceeds shall be transferred to the state building
24 construction account or any other nontaxable bond accounts in lieu of
25 the transfer to the state taxable building construction account
26 otherwise provided by this subsection (1)(b). The state treasurer, on
27 behalf of the state finance committee, shall submit written notice to
28 the director of the office of financial management if it is
29 determined that any such additional transfer to the state taxable
30 building construction account or any other taxable bond accounts is
31 necessary or that a transfer from the state taxable building
32 construction account to the state building construction account or
33 any other nontaxable bond accounts may be made. Moneys in the account
34 may be spent only after appropriation.

35 (2)(a) The state treasurer shall transfer bond proceeds deposited
36 in the state building construction account into the outdoor
37 recreation account created by RCW 79A.25.060, the habitat
38 conservation account created by RCW 79A.15.020, the farm and forest
39 account created by RCW 79A.15.130, and the Ruth LeCocq Kagi early
40 learning facilities development account created by RCW 43.31.569, at

1 various times and in various amounts necessary to support authorized
2 expenditures from those accounts.

3 (b) The state treasurer shall transfer bond proceeds deposited in
4 the state taxable building construction account into the Ruth LeCocq
5 Kagi early learning facilities revolving account created by RCW
6 43.31.569 at various times and in various amounts necessary to
7 support authorized expenditures from that account.

8 (3) These proceeds shall be used exclusively for the purposes
9 specified in section 101 of this act and for the payment of expenses
10 incurred in the issuance and sale of the bonds issued for the
11 purposes of section 101 of this act, and shall be administered by the
12 office of financial management subject to legislative appropriation.

13 NEW SECTION. **Sec. 103.** (1) The debt-limit general fund bond
14 retirement account shall be used for the payment of the principal of
15 and interest on the bonds authorized in section 101 of this act.

16 (2) The state finance committee shall, on or before June 30th of
17 each year, certify to the state treasurer the amount needed in the
18 ensuing 12 months to meet the bond retirement and interest
19 requirements on the bonds authorized in section 101 of this act.

20 (3) On each date on which any interest or principal and interest
21 payment is due on bonds issued for the purposes of section 102 (1)
22 and (2) of this act the state treasurer shall withdraw from any
23 general state revenues received in the state treasury and deposit in
24 the debt-limit general fund bond retirement account an amount equal
25 to the amount certified by the state finance committee to be due on
26 the payment date.

27 NEW SECTION. **Sec. 104.** (1) Bonds issued under section 101 of
28 this act shall state that they are a general obligation of the state
29 of Washington, shall pledge the full faith and credit of the state to
30 the payment of the principal thereof and the interest thereon, and
31 shall contain an unconditional promise to pay the principal and
32 interest as the same shall become due.

33 (2) The owner and holder of each of the bonds or the trustee for
34 the owner and holder of any of the bonds may by mandamus or other
35 appropriate proceeding require the transfer and payment of funds as
36 directed in this section.

