CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5194

Chapter 415, Laws of 2025

69th Legislature
2025 Regular Session

CAPITAL BUDGET—BONDS

EFFECTIVE DATE: May 20, 2025

Passed by the Senate April 27, 2025
Yeas 47 Nays 0

DENNY HECK

President of the Senate

Passed by the House April 27, 2025
Yeas 98 Nays 0

LAURIE JINKINS

Speaker of the House of Representatives

Approved May 20, 2025 3:17 PM

BOB FERGUSON

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5194** as passed by the Senate and the House of Representatives on the dates hereon set forth.

SARAH BANNISTER

Secretary

FILED

May 21, 2025

Secretary of State
State of Washington

SUBSTITUTE SENATE BILL 5194

AS AMENDED BY THE HOUSE

Passed Legislature - 2025 Regular Session

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.

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

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

PART I
2023-2025 AND 2025-2027 BIENNIAL BOND AUTHORIZATION

NEW SECTION. **Sec. 101.** For the purpose of providing funds to finance the projects described and authorized by the legislature in the omnibus capital and operating appropriations acts for the 2023-2025 and 2025-2027 fiscal biennia and future biennia, and all costs incidental thereto, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of $4,686,979,000, or as much thereof as may be required, to finance these projects and all costs incidental thereto. Bonds authorized in this section may be sold at such price as the state finance committee shall determine. No bonds authorized in this section may be offered for sale without prior legislative appropriation of the net proceeds of the sale of the bonds.

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

(a) $4,123,420,000 to remain in the state building construction account created by RCW 43.83.020;

(b) $563,559,000 to the state taxable building construction account. All receipts from taxable bonds issued are to be deposited into the account. If the state treasurer, on behalf of the state finance committee, deems it necessary or advantageous to issue more than the amount specified in this subsection (1)(b) as taxable bonds in order to comply with federal internal revenue service rules and regulations pertaining to the use of nontaxable bond proceeds or in order to reduce the total financing costs for bonds issued, the proceeds of such additional taxable bonds shall be transferred to the state taxable building construction account or any other taxable bond accounts in lieu of any transfer otherwise provided by this section. If the state treasurer, on behalf of the state finance committee, determines that a portion of the amount specified in this subsection (1)(b) as taxable bonds may be issued as nontaxable bonds in compliance with federal internal revenue service rules and regulations pertaining to the use of nontaxable bond proceeds, then such bond proceeds shall be transferred to the state building construction account or any other nontaxable bond accounts in lieu of the transfer to the state taxable building construction account otherwise provided by this subsection (1)(b). The state treasurer, on behalf of the state finance committee, shall submit written notice to the director of the office of financial management if it is determined that any such additional transfer to the state taxable building construction account or any other taxable bond accounts is necessary or that a transfer from the state taxable building construction account to the state building construction account or any other nontaxable bond accounts may be made. Moneys in the account may be spent only after appropriation.

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

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

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

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

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

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

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

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

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

NEW SECTION. **Sec. 105.** The legislature may provide additional means for raising moneys for the payment of the principal of and interest on the bonds authorized in section 101 of this act, and sections 102 and 103 of this act shall not be deemed to provide an exclusive method for the payment.

PART II
MISCELLANEOUS

NEW SECTION. **Sec. 201.** Sections 101 through 105 of this act are each added to chapter 43.100A RCW.

NEW SECTION. **Sec. 202.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 203.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the Senate April 27, 2025.
Passed by the House April 27, 2025.
Approved by the Governor May 20, 2025.
Filed in Office of Secretary of State May 21, 2025.

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