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**ESB 5096** - H AMD TO H AMD (H-2628.2/17) **497**

By Representative Orcutt

**SCOPE AND OBJECT 04/12/2017**

 On page 81, after line 18 of the striking amendment, insert the following:

 "**Sec. 714.** RCW 81.112.130 and 1992 c 101 s 13 are each amended to read as follows:

(1) Notwithstanding RCW 39.36.020(1), an authority may at any time contract indebtedness or borrow money for authority purposes and may issue general obligation bonds in an amount not exceeding, together with any existing indebtedness of the authority not authorized by the voters, one and one-half percent of the value of the taxable property within the boundaries of the authority; and with the assent of three-fifths of the voters therein voting at an election called for that purpose, may contract indebtedness or borrow money for authority purposes and may issue general obligation bonds therefor, provided the total indebtedness of the authority shall not exceed five percent of the value of the taxable property therein. Such bonds shall be issued and sold in accordance with chapter 39.46 RCW.

(2) The term "value of the taxable property" shall have the meaning set forth in RCW 39.36.015.

(3) Notwithstanding subsection (1) of this section, a regional transit authority may not issue general obligation bonds without authorization from the legislature during the 2017-2019 fiscal biennium.

**Sec. 715.** RCW 81.112.140 and 1992 c 101 s 14 are each amended to read as follows:

(1) An authority may issue revenue bonds to provide funds to carry out its authorized functions without submitting the matter to the voters of the authority. The authority shall create a special fund or funds for the sole purpose of paying the principal of and interest on the bonds of each such issue, into which fund or funds the authority may obligate itself to pay such amounts of the gross revenue of the high capacity transportation system constructed, acquired, improved, added to, or repaired out of the proceeds of sale of such bonds, as the authority shall determine and may obligate the authority to pay such amounts out of otherwise unpledged revenue that may be derived from the ownership, use, or operation of properties or facilities owned, used, or operated incident to the performance of the authorized function for which such bonds are issued or out of otherwise unpledged fees, tolls, charges, tariffs, fares, rentals, special taxes, or other sources of payment lawfully authorized for such purpose, as the authority shall determine. The principal of, and interest on, such bonds shall be payable only out of such special fund or funds, and the owners of such bonds shall have a lien and charge against the gross revenue of such high capacity transportation system or any other revenue, fees, tolls, charges, tariffs, fares, special taxes, or other authorized sources pledged to the payment of such bonds.

Such revenue bonds and the interest thereon issued against such fund or funds shall be a valid claim of the owners thereof only as against such fund or funds and the revenue pledged therefor, and shall not constitute a general indebtedness of the authority.

(2) Notwithstanding subsection (1) of this section, such bonds may be issued and sold in accordance with chapter 39.46 RCW.

(3) Notwithstanding subsection (1) of this section, a regional transit authority may not issue revenue bonds without authorization from the legislature during the 2017-2019 fiscal biennium.

**Sec. 716.** RCW 81.112.150 and 1992 c 101 s 15 are each amended to read as follows:

(1) An authority may form a local improvement district to provide any transportation improvement it has the authority to provide, impose special assessments on all property specially benefited by the transportation improvements, and issue special assessment bonds or revenue bonds to fund the costs of the transportation improvement. Local improvement districts shall be created and assessments shall be made and collected pursuant to chapters 35.43, 35.44, 35.49, 35.50, 35.51, 35.53, and 35.54 RCW.

(2) The board shall by resolution establish for each special assessment bond issue the amount, date, terms, conditions, denominations, maximum fixed or variable interest rate or rates, maturity or maturities, redemption rights, registration privileges, if any, covenants, and form, including registration as to principal and interest, registration as to principal only, or bearer. Registration may include, but not be limited to: (a) A book entry system of recording the ownership of a bond whether or not physical bonds are issued; or (b) recording the ownership of a bond together with the requirement that the transfer of ownership may only be effected by the surrender of the old bond and either the reissuance of the old bond or the issuance of a new bond to the new owner. Facsimile signatures may be used on the bonds and any coupons. The maximum term of any special assessment bonds shall not exceed thirty years beyond the date of issue. Special assessment bonds issued pursuant to this section shall not be an indebtedness of the authority issuing the bonds, and the interest and principal on the bonds shall only be payable from special assessments made for the improvement for which the bonds were issued and any local improvement guaranty fund that the authority has created. The owner or bearer of a special assessment bond or any interest coupon issued pursuant to this section shall not have any claim against the authority arising from the bond or coupon except for the payment from special assessments made for the improvement for which the bonds were issued and any local improvement guaranty fund the authority has created. The authority issuing the special assessment bonds is not liable to the owner or bearer of any special assessment bond or any interest coupon issued pursuant to this section for any loss occurring in the lawful operation of its local improvement guaranty fund. The substance of the limitations included in this subsection shall be plainly printed, written, or engraved on each special assessment bond issued pursuant to this section.

(3) Assessments shall reflect any credits given by the authority for real property or property right donations made pursuant to RCW 47.14.030.

(4) The board may establish and pay moneys into a local improvement guaranty fund to guarantee special assessment bonds issued by the authority.

 (5) Notwithstanding subsection (1) of this section, a regional transit authority may not issue special assessment bonds or revenue bonds without authorization from the legislature during the 2017-2019 fiscal biennium."

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|  |  EFFECT: Requires a regional transit authority to receive authorization from the legislature prior to issuing bonds during the 2017-2019 fiscal biennium.   FISCAL IMPACT: No net change to appropriated levels. |

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