

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

By Representative Orcutt

SCOPE AND OBJECT 04/12/2017

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

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

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

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

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

24

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

27

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

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

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

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

32

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

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

9 (2) The board shall by resolution establish for each special  
10 assessment bond issue the amount, date, terms, conditions,  
11 denominations, maximum fixed or variable interest rate or rates,  
12 maturity or maturities, redemption rights, registration privileges,  
13 if any, covenants, and form, including registration as to principal  
14 and interest, registration as to principal only, or bearer.  
15 Registration may include, but not be limited to: (a) A book entry  
16 system of recording the ownership of a bond whether or not physical  
17 bonds are issued; or (b) recording the ownership of a bond together  
18 with the requirement that the transfer of ownership may only be  
19 effected by the surrender of the old bond and either the reissuance  
20 of the old bond or the issuance of a new bond to the new owner.  
21 Facsimile signatures may be used on the bonds and any coupons. The  
22 maximum term of any special assessment bonds shall not exceed thirty  
23 years beyond the date of issue. Special assessment bonds issued  
24 pursuant to this section shall not be an indebtedness of the  
25 authority issuing the bonds, and the interest and principal on the  
26 bonds shall only be payable from special assessments made for the  
27 improvement for which the bonds were issued and any local  
28 improvement guaranty fund that the authority has created. The owner  
29 or bearer of a special assessment bond or any interest coupon issued  
30 pursuant to this section shall not have any claim against the  
31 authority arising from the bond or coupon except for the payment  
32 from special assessments made for the improvement for which the  
33 bonds were issued and any local improvement guaranty fund the  
34 authority has created. The authority issuing the special assessment

1 bonds is not liable to the owner or bearer of any special assessment  
2 bond or any interest coupon issued pursuant to this section for any  
3 loss occurring in the lawful operation of its local improvement  
4 guaranty fund. The substance of the limitations included in this  
5 subsection shall be plainly printed, written, or engraved on each  
6 special assessment bond issued pursuant to this section.

7 (3) Assessments shall reflect any credits given by the authority  
8 for real property or property right donations made pursuant to RCW  
9 47.14.030.

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

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

17

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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