

SHB 1147 - H AMD 421

By Representative Orcutt

NOT CONSIDERED 01/05/2018

1 On page 81, after line 27, insert the following:

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

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

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

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

23

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

26 (1) An authority may issue revenue bonds to provide funds to
27 carry out its authorized functions without submitting the matter to

1 the voters of the authority. The authority shall create a special
2 fund or funds for the sole purpose of paying the principal of and
3 interest on the bonds of each such issue, into which fund or funds
4 the authority may obligate itself to pay such amounts of the gross
5 revenue of the high capacity transportation system constructed,
6 acquired, improved, added to, or repaired out of the proceeds of
7 sale of such bonds, as the authority shall determine and may
8 obligate the authority to pay such amounts out of otherwise
9 unpledged revenue that may be derived from the ownership, use, or
10 operation of properties or facilities owned, used, or operated
11 incident to the performance of the authorized function for which
12 such bonds are issued or out of otherwise unpledged fees, tolls,
13 charges, tariffs, fares, rentals, special taxes, or other sources of
14 payment lawfully authorized for such purpose, as the authority shall
15 determine. The principal of, and interest on, such bonds shall be
16 payable only out of such special fund or funds, and the owners of
17 such bonds shall have a lien and charge against the gross revenue of
18 such high capacity transportation system or any other revenue, fees,
19 tolls, charges, tariffs, fares, special taxes, or other authorized
20 sources pledged to the payment of such bonds.

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

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

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

30

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

33 (1) An authority may form a local improvement district to
34 provide any transportation improvement it has the authority to

1 provide, impose special assessments on all property specially
2 benefited by the transportation improvements, and issue special
3 assessment bonds or revenue bonds to fund the costs of the
4 transportation improvement. Local improvement districts shall be
5 created and assessments shall be made and collected pursuant to
6 chapters 35.43, 35.44, 35.49, 35.50, 35.51, 35.53, and 35.54 RCW.

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

1 loss occurring in the lawful operation of its local improvement
2 guaranty fund. The substance of the limitations included in this
3 subsection shall be plainly printed, written, or engraved on each
4 special assessment bond issued pursuant to this section.

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

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

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

15

16 Correct the title.

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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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