

ESSB 6106 - H AMD TO H AMD (H-5049.1/18) 1213
By Representative Harmsworth

SCOPE AND OBJECT 02/27/2018

1 On page 94, after line 22 of the amendment, insert the following:

2 "Sec. 702. RCW 81.112.130 and 1992 c 101 s 13 are each amended
3 to 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 and
6 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 with
10 the assent of three-fifths of the voters therein voting at an
11 election called for that purpose, may contract indebtedness or borrow
12 money for authority purposes and may issue general obligation bonds
13 therefor, provided the total indebtedness of the authority shall not
14 exceed five percent of the value of the taxable property therein.
15 Such bonds shall be issued and sold in accordance with chapter 39.46
16 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 **Sec. 703.** RCW 81.112.140 and 1992 c 101 s 14 are each amended to
24 read as follows:

25 (1) An authority may issue revenue bonds to provide funds to
26 carry out its authorized functions without submitting the matter to
27 the voters of the authority. The authority shall create a special
28 fund or funds for the sole purpose of paying the principal of and
29 interest on the bonds of each such issue, into which fund or funds
30 the authority may obligate itself to pay such amounts of the gross
31 revenue of the high capacity transportation system constructed,

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

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

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

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

25 **Sec. 704.** RCW 81.112.150 and 1992 c 101 s 15 are each amended to
26 read as follows:

27 (1) An authority may form a local improvement district to provide
28 any transportation improvement it has the authority to provide,
29 impose special assessments on all property specially benefited by the
30 transportation improvements, and issue special assessment bonds or
31 revenue bonds to fund the costs of the transportation improvement.
32 Local improvement districts shall be created and assessments shall be
33 made and collected pursuant to chapters 35.43, 35.44, 35.49, 35.50,
34 35.51, 35.53, and 35.54 RCW.

35 (2) The board shall by resolution establish for each special
36 assessment bond issue the amount, date, terms, conditions,
37 denominations, maximum fixed or variable interest rate or rates,
38 maturity or maturities, redemption rights, registration privileges,
39 if any, covenants, and form, including registration as to principal

1 and interest, registration as to principal only, or bearer.
2 Registration may include, but not be limited to: (a) A book entry
3 system of recording the ownership of a bond whether or not physical
4 bonds are issued; or (b) recording the ownership of a bond together
5 with the requirement that the transfer of ownership may only be
6 effected by the surrender of the old bond and either the reissuance
7 of the old bond or the issuance of a new bond to the new owner.
8 Facsimile signatures may be used on the bonds and any coupons. The
9 maximum term of any special assessment bonds shall not exceed thirty
10 years beyond the date of issue. Special assessment bonds issued
11 pursuant to this section shall not be an indebtedness of the
12 authority issuing the bonds, and the interest and principal on the
13 bonds shall only be payable from special assessments made for the
14 improvement for which the bonds were issued and any local improvement
15 guaranty fund that the authority has created. The owner or bearer of
16 a special assessment bond or any interest coupon issued pursuant to
17 this section shall not have any claim against the authority arising
18 from the bond or coupon except for the payment from special
19 assessments made for the improvement for which the bonds were issued
20 and any local improvement guaranty fund the authority has created.
21 The authority issuing the special assessment bonds is not liable to
22 the owner or bearer of any special assessment bond or any interest
23 coupon issued pursuant to this section for any loss occurring in the
24 lawful operation of its local improvement guaranty fund. The
25 substance of the limitations included in this subsection shall be
26 plainly printed, written, or engraved on each special assessment bond
27 issued pursuant to this section.

28 (3) Assessments shall reflect any credits given by the authority
29 for real property or property right donations made pursuant to RCW
30 47.14.030.

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

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

38 Renumber the remaining section consecutively and correct the
39 title.

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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