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SNOHOMISH COUNTY, WASHINGTON

ORDINANCE NO. 84-036

W.T. _____ K.B. _____
T.C. _____ S.V. _____
G.L. _____ D.J. _____

RELATING TO COUNTY BONDS AND OBLIGATIONS
AND ADDING A CHAPTER TO THE SNOHOMISH COUNTY CODE

WHEREAS, Section 103(j) of the Internal Revenue Code of 1954, as amended, requires municipal bonds and obligations offered to the public, having a maturity of more than one year and issued after June 30, 1983, to be in registered form as a condition of the exemption from federal income taxation of the interest on those bonds and obligations; and,

WHEREAS, Section 3, chapter 167, Laws of 1983 authorizes counties to establish a system of registering the ownership of their bonds or obligations as to principal and interest, or principal only.

NOW THEREFORE BE IT ORDAINED:

Section 1. A new chapter is added to the Snohomish County Code as follows:

CHAPTER 4.06

County Bonds and Obligations

Sections:

- 4.06.010 Definitions.
- 4.06.020 Findings.
- 4.06.030 Adoption of Registration System.
- 4.06.040 Statement of Transfer Restrictions.

4.06.010 Definitions. The following words shall have the following meanings when used in this chapter:

- (1) "Bond" has the meaning defined in section 2(1), chapter 167, Laws of 1983, and as the same may hereafter be amended.
- (2) "County" means Snohomish County, Washington.
- (3) "Fiscal agencies" means the duly appointed fiscal agencies of the State of Washington serving as such at any given time.
- (4) "Obligation" or "obligations" has the meaning defined in section 2(3), chapter 167, Laws of 1983, and as the same may hereafter be amended.

(5) "Registrar" means the person or persons designated by the County to register ownership of bonds or obligations under Section 4.06.030(4).

4.06.020 Findings. The Council finds that it is in the County's best interest to establish a system of registering the ownership of County bonds and obligations as permitted by law.

4.06.030 Adoption of Registration System. The County adopts the following system of registering the ownership of its bonds and obligations.

(1) Registration Requirement. All bonds and obligations offered to the public, having a maturity of more than one year and issued by the County after June 30, 1983, on which the interest is intended to be exempt from federal income taxation, shall be registered as to both principal and interest as provided in this chapter.

(2) Method of Registration. The registration of all County bonds and obligations required to be registered shall be carried out either by

(a) a book entry system of recording the ownership of the bond or obligation on the books of the County whether or not a physical instrument is issued or,

(b) by recording the ownership of the bond or obligation and requiring as a condition of the transfer of ownership of any bond or obligation the surrender of the old bond or obligations and either the reissuance of the old bond or obligation or the issuance of a new bond or obligation to the new owners.

No transfers of any bond or obligation subject to registration requirements shall be effective until the name of the new owner and the new owner's mailing address, together with such other information deemed appropriate by the registrar, shall be recorded on the books of the registrar.

(3) Denominations. Except as may be provided otherwise by the ordinance authorizing their issuance, registered bonds or obligations may be issued and reissued in any denomination up to the outstanding principal amount of the bonds or obligations of which they are a part. Such denominations may represent all or a part of a maturity of several maturities and on reissuance may be in smaller

amounts than the individual denominations for which they are issued.

(4) Appointment of Registrar. Unless otherwise provided in any ordinance authorizing the issuance of registered bonds or obligations, the Snohomish County Treasurer shall be the registrar for all registered interest-bearing warrants, installment contracts, interest-bearing leases and other registered bonds or obligations not usually subject to trading, and the fiscal agent shall be the registrar for all other county bonds and obligations.

(5) Duties of Registrar. The registrar shall serve as the county's authenticating trustee, transfer agent, registrar and paying agent for all registered bonds and obligations for which he, she, or it serves as registrar and shall comply fully with all applicable federal and state laws and regulations respecting the carrying out of those duties.

The rights, duties, responsibilities and compensation of the registrar shall be prescribed in each ordinance authorizing the issuance of the bonds or obligations, which rights, duties, responsibilities and compensation shall be embodied in a contract executed by the Snohomish County Treasurer and the registrar.

The county adopts by reference the contract between the State Finance Committee of the State of Washington and the fiscal agencies in lieu of executing a separate contract and prescribing by resolution the rights, duties, obligations and compensation of the registrar in all instances when the fiscal agent serves as registrar.

In all cases when the registrar is not the fiscal agent, the ordinance authorizing the issuance of the registered bonds or obligations shall specify the terms and conditions of:

- (a) making payments of principal and interest;
- (b) printing any physical instruments, including the use of identifying numbers or other designation;
- (c) specifying record and payment dates;
- (d) determining denominations;
- (e) establishing the manner of communicating with the owners of the bonds or obligations;

- (f) establishing the methods or receipting for the physical instruments for payment of principal, the destruction of such instruments and the certification of such destruction;
- (g) registering or releasing security interests, if any; and;
- (h) such other matters pertaining to the registration of the bonds or obligations authorized by such resolution as the county may deem to be necessary or appropriate.

4.06.040 Statement of Transfer Restrictions. Any physical instrument issued or executed by the county subject to registration under this resolution shall state on its face that the principal of and interest on the bonds or obligations shall be paid only to the owner thereof registered as such on the books of the registrar as of the record date defined in the instrument and to no other person, and that such instrument, either principal or interest, may not be assigned except on the books of the registrar.

Dated March 12, 1984

Donald J. Butler
Chairman

ATTEST:
Ellie Snyder
Clerk of the Council

ATTEST:
Linda McCrea

[Signature]
County Executive

() APPROVED () VETOED
() EMERGENCY Date 3-16-84

PUBLISHED _____ and _____

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