
SUBSTITUTE SENATE BILL 5590

State of Washington

59th Legislature

2006 Regular Session

By Senate Committee on Financial Institutions, Housing & Consumer Protection (originally sponsored by Senators Fairley and Delvin)

READ FIRST TIME 02/03/06.

1 AN ACT Relating to the dissolution of joint housing authorities;
2 and adding a new section to chapter 35.82 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 35.82 RCW
5 to read as follows:

6 (1) A joint housing authority may be dissolved pursuant to
7 substantially identical resolutions or ordinances of the legislative
8 authority of each of the counties or cities that previously authorized
9 that joint housing authority. These resolutions or ordinances may
10 authorize the execution of an agreement among the counties, cities, and
11 the joint housing authority that provides for the timing, distribution
12 of assets, obligations and liabilities, and other matters deemed
13 necessary or appropriate by the contracting entities.

14 (2) Each resolution or ordinance dissolving a joint housing
15 authority shall provide for the following:

16 (a) Activation or reactivation of a housing authority or joint
17 housing authority by each of the cities and counties that previously
18 authorized the joint housing authority and any additional cities or
19 counties that are then to be added. This activation or reactivation

1 takes effect upon the dissolution of the joint housing authority or at
2 an earlier time provided in the resolutions or ordinances dissolving
3 the joint housing authority; and

4 (b) Distribution of all assets, obligations, and liabilities of the
5 joint housing authority to the housing authorities activated or
6 reactivated under (a) of this subsection. Distribution of assets,
7 obligations, and liabilities may be based on:

8 (i) The population within the boundaries of each of the housing
9 authorities activated or reactivated under (a) of this subsection;

10 (ii) The number of housing units owned by the joint housing
11 authority within the boundaries of each of the housing authorities
12 activated or reactivated under (a) of this subsection;

13 (iii) The number of low-income residents within the boundaries of
14 each of the housing authorities activated or reactivated under (a) of
15 this subsection;

16 (iv) The effect of the proposed distribution on the viability of
17 the housing authorities activated or reactivated under (a) of this
18 subsection; or

19 (v) Any other reasonable criteria to determine the distribution of
20 assets, obligations, and liabilities.

21 (3) Each activated or reactivated housing authority shall be
22 responsible for debt service on bonds or other obligations issued or
23 incurred to finance the acquisition, construction, or improvement of
24 the projects, properties, and other assets that have been distributed
25 to them under the dissolution. However, if an outstanding bond issue
26 is secured whole or in part by the general revenues of the housing
27 authority being dissolved, each housing authority activated or
28 reactivated under subsection (2)(a) of this section shall remain
29 jointly and severally liable for repayment of those outstanding bonds
30 and other obligations of the joint housing authority until paid or
31 defeased, from general revenues of each of the activated or reactivated
32 housing authorities, and from any other revenues and accounts that had
33 been expressly pledged by the joint housing authority to the payment of
34 those bonds or other obligations. As used in this subsection, "general
35 revenues" means all revenues of a housing authority from any source,
36 but only to the extent that those revenues are available to pay debt
37 service on bonds or other obligations and are not then or thereafter

1 pledged or restricted by law, regulation, contract, covenant,
2 resolution, deed of trust, or otherwise, solely to another particular
3 purpose.

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