

SSB 6362 - H AMD 818

By Representative Walsh

1 On page 10, after line 32, insert the following:

2 "Sec. 5. RCW 28B.07.050 and 2003 c 84 s 1 are each amended to read
3 as follows:

4 (1) The authority may, from time to time, issue its special
5 obligation bonds in order to carry out the purposes of this chapter and
6 to enable the authority to exercise any of the powers granted to it in
7 this chapter. The bonds shall be issued pursuant to a bond resolution
8 or trust indenture and shall be payable solely out of the special fund
9 or funds created by the authority in the bond resolution or trust
10 indenture. The special fund or funds shall be funded in whole or in
11 part from moneys paid by one or more participants for whose benefit
12 such bonds were issued and from the sources, if any, described in RCW
13 28B.07.040(9) or from the proceeds of bonds issued by the authority for
14 the purpose of refunding any outstanding bonds of the authority.

15 (2) The bonds may be secured by:

16 (a) A first lien against any unexpended proceeds of the bonds;

17 (b) A first lien against moneys in the special fund or funds
18 created by the authority for their payment;

19 (c) A first or subordinate lien against the revenue and receipts of
20 the participant or participants which revenue is derived in whole or in
21 part from the project financed by the authority;

22 (d) A first or subordinate security interest against any real or
23 personal property, tangible or intangible, of the participant or
24 participants, including, but not limited to, the project financed by
25 the authority;

26 (e) Any other real or personal property, tangible or intangible; or

27 (f) Any combination of (a) through (e) of this subsection.

28 Any security interest created against the unexpended bond proceeds
29 and against the special funds created by the authority shall be
30 immediately valid and binding against the moneys and any securities in

1 which the moneys may be invested without authority or trustee
2 possession, and the security interest shall be prior to any party
3 having any competing claim against the moneys or securities, without
4 filing or recording under Article 9A of the Uniform Commercial Code,
5 Title 62A RCW, and regardless of whether the party has notice of the
6 security interest.

7 (3) The bonds may be issued as serial bonds or as term bonds or any
8 such combination. The bonds shall bear such date or dates; mature at
9 such time or times; bear interest at such rate or rates, either fixed
10 or variable; be payable at such time or times; be in such
11 denominations; be in such form, either coupon or registered, or both;
12 carry such registration privileges; be made transferable, exchangeable,
13 and interchangeable; be payable in lawful money of the United States of
14 America at such place or places; be subject to such terms of
15 redemption; and be sold at public or private sale, in such manner, at
16 such time, and at such price as the authority shall determine. The
17 bonds shall be executed by the manual or facsimile signatures of the
18 chairperson and the authority's duly-elected secretary or its executive
19 director, and by the trustee if the authority determines to use a
20 trustee. At least one signature shall be manually subscribed. Coupon
21 bonds shall have attached interest coupons bearing the facsimile
22 signatures of the chairperson and the secretary or the executive
23 director.

24 (4) Any bond resolution, trust indenture, or agreement with a
25 participant relating to bonds issued by the authority or the financing
26 or refinancing made available by the authority may contain provisions,
27 which may be made a part of the contract with the holders or owners of
28 the bonds to be issued, pertaining to the following, among other
29 matters: (a) The security interests granted by the participant to
30 secure repayment of any amounts financed and the performance by the
31 participant of its other obligations in the financing; (b) the security
32 interests granted to the holders or owners of the bonds to secure
33 repayment of the bonds; (c) rentals, fees, and other amounts to be
34 charged, and the sums to be raised in each year through such charges,
35 and the use, investment, and disposition of the sums; (d) the
36 segregation of reserves or sinking funds, and the regulation,
37 investment, and disposition thereof; (e) limitations on the uses of the
38 project; (f) limitations on the purposes to which, or the investments

1 in which, the proceeds of the sale of any issue of bonds may be
2 applied; (g) terms pertaining to the issuance of additional parity
3 bonds; (h) terms pertaining to the incurrence of parity debt; (i) the
4 refunding of outstanding bonds; (j) procedures, if any, by which the
5 terms of any contract with bondholders may be amended or abrogated; (k)
6 acts or failures to act which constitute a default by the participant
7 or the authority in their respective obligations and the rights and
8 remedies in the event of a default; (l) the securing of bonds by a
9 pooling of leases whereby the authority may assign its rights, as
10 lessor, and pledge rents under two or more leases with two or more
11 participants, as lessees; (m) terms governing performance by the
12 trustee of its obligation; or (n) such other additional covenants,
13 agreements, and provisions as are deemed necessary, useful, or
14 convenient by the authority for the security of the holders of the
15 bonds.

16 (5) Bonds may be issued by the authority to refund other
17 outstanding authority bonds, at or prior to the maturity thereof, and
18 to pay any redemption premium with respect thereto. Bonds issued for
19 such refunding purposes may be combined with bonds issued for the
20 financing or refinancing of new projects. Pending the application of
21 the proceeds of the refunding bonds to the redemption of the bonds to
22 be redeemed, the authority may enter into an agreement or agreements
23 with a corporate trustee under RCW 28B.07.080 with respect to the
24 interim investment of the proceeds and the application of the proceeds
25 and the earnings on the proceeds to the payment of the principal of and
26 interest on, and the redemption of the bonds to be redeemed.

27 (6) All bonds and any interest coupons appertaining to the bonds
28 shall be negotiable instruments under Title 62A RCW.

29 (7) Neither the members of the authority, nor its employees or
30 agents, nor any person executing the bonds shall be liable personally
31 on the bonds or be subject to any personal liability or accountability
32 by reason of the issuance of the bonds.

33 (8) The authority may purchase its bonds with any of its funds
34 available for the purchase. The authority may hold, pledge, cancel, or
35 resell the bonds subject to and in accordance with agreements with
36 bondholders.

37 (9) At no time shall the total outstanding bonded indebtedness of

1 the authority exceed the amount of one billion five hundred million
2 dollars."

3 Correct the title.

EFFECT: Increases the total outstanding indebtedness of the higher education facilities authority from 1 billion dollars to the amount of 1.5 billion dollars.

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