

POSTED

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Doris A. Ward  
Treas. Clerk  
Town Of Coupeville

TOWN OF COUPEVILLE, WASHINGTON

ORDINANCE NO. 392

AN ORDINANCE adopting a system of registration of bonds and obligations of the Town.

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, RCW 39.46.030 authorizes towns 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 ORDINANED BY THE TOWN COUNCIL OF THE TOWN OF COUPEVILLE, WASHINGTON, as follows:

- Section 1. Definitions. The following words shall have the following meanings when used in this ordinance:
- a. The term "bond" or "bonds" shall have the meaning defined in RCW 39.46.020(1), as the same may be from time to time amended.
  - b. The term "Town" shall mean the Town of Coupeville, Washington.
  - c. The term "fiscal agencies" shall mean the duly appointed fiscal agencies of the State of Washington serving as such at any given time.
  - d. The term "obligation" or "obligations" shall have the meaning defined in RCW 39.46.020(3), as the same from time to time may be amended.

e. The term "registrar" shall mean the person or persons designated by the Town to register ownership of bonds or obligations under this ordinance.

Section 2. Findings. The Town Council of the Town finds that it is in the Town's best interest to establish a system of registering the ownership of the Town's bonds and obligations in the manner permitted by law.

Section 3. Adoption of Registration System. The Town adopts the following system of registering the ownership of its bonds and obligations.

a. Registration Requirement. All bonds and obligations offered to the public, having a maturity of more than one year and issued by the Town 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 ordinance.

b. Method of Registration. The registration of all Town bonds and obligations required to be registered shall be carried out either by

1) a book entry system of recording the ownership of the bond or obligation on the books of the Town or the fiscal agencies, whether or not a physical instrument is issued; or

2) 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 obligation and either the reissuance of the old bond or obligation or the issuance of a new bond or obligation to the new owners.

No transfer 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.

c. 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 or several maturities and on reissuance may be in smaller amounts than the individual denominations for which they are reissued.

d. Appointment of Registrar. Unless otherwise provided in the ordinance authorizing the issuance of registered bonds or obligations, the Town Treasurer-Clerk 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 without a fixed maturity date or maturing one year or more after issuance and the fiscal agencies shall be the registrar for all other Town bonds and obligations without a fixed maturity date or maturing one year or more after issuance.

e. Duties of Registrar. The registrar shall serve as the Town'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 Town Treasurer-Clerk and the registrar, except in instances when the fiscal agencies serve as registrar, the Town 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 ordinance the rights, duties, obligations and compensation of the registrar. When the Town Treasurer-Clerk serves as registrar, a separate contract shall not be required.

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

- 1) making payments of principal and interest;
- 2) printing any physical instruments, including the use of identifying numbers or other designation;
- 3) specifying record and payment dates;
- 4) determining denominations;
- 5) establishing the manner of communicating with the owners of the bonds or obligations;
- 6) establishing the methods of receipting for the physical instruments for payment of principal, the destruction of such instruments and the certification of such destruction;
- 7) registering or releasing security interests, if any; and
- 8) such other matters pertaining to the registration of the bonds or obligations authorized by such ordinance as the Town may deem to be necessary or appropriate.

Section 4. Statement of Transfer Restrictions. Any physical instrument issued or executed by the Town subject to registration under this ordinance 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.

PASSED by the Town Council and APPROVED by the Mayor of the Town of Coupeville, Washington, at a regular open public meeting thereof this 8th day of July, 1985.

Lew Gladly  
Mayor

ATTEST:

Dani A. Ward  
Town Treasurer-Clerk

FORM APPROVED:

Sam Culen  
Town Attorney