ORDINANCE NO. 2418

AN ORDINANCE of the City of Kent, Washington, adopting a system of registration for obligations of the City; establishing a new Chapter 3.30 Kent City Code.

THE CITY COUNCIL OF THE CITY OF KENT, WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. A new Chapter 3.30, BOND REGISTRATION, is added to the Kent City Code, as follows:

3.30.010. SYSTEM OF REGISTRATION ADOPTED.

Pursuant to Chapter 167, Laws of 1983, a system of registering the ownership of bonds and other interest bearing obligations of the City is adopted. The terms "bond" and "obligation" as used in this ordinance shall have the meanings defined in Section 2, Chapter 167, Laws of 1983, as the same may be from time to time amended. The term "registrar" shall be the person or persons designated by the City to register the ownership of bonds and other obligations under this ordinance. The term "fiscal agencies" shall mean the duly appointed fiscal agencies of the State of Washington serving as such at any given time.

3.30.020. BONDS AND OBLIGATIONS REGISTERED.

All bonds and other obligations issued or entered into by the City which bear or require the City to pay interest, which interest is intended by the City to be exempt from federal income taxation, shall be registered as to both principal and interest as provided in this ordinance. Such registration may be carried out by a book entry system of recording the ownership of a bond or other obligation whether or not a physical instrument is issued on the books of the City or the fiscal agency of the State of Washington, or by recording the ownership of a bond or other obligation together with requiring that any transfer of ownership may be effected only by the surrender of the old bond or other obligation and either the reissuance of the old bond or other obligation or the issuance of a new bond or other obligation to the new owner. No transfer of any such bonds or other obligations 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 of the City.

3.30.030. BOND AND OBLIGATION ISSUANCE.

Except as may be otherwise provided by this ordinance authorizing the issuance of bonds or other obligations, registered bonds or other registered obligations may be issued in any denomination to represent several registered bonds or other obligations of smaller denominations, and the City may permit the issuance of bonds or other obligations in denominations smaller than a larger denomination bond or obligations requested to be transferred. The ordinance authorizing the issuance of the bonds or other obligations shall provide for an authenticating trustee, transfer agent, registrar and paying agent, which shall be one or more of the fiscal agencies of the State of Washington appointed in accordance with Chapter 43.80 RCW, except that with respect to interest-bearing warrants, installment contracts, interest-bearing leases and other instruments or obligations not usually subject to trading, assignment or transfer, the Treasurer of the City may serve as the transfer agent, registrar and paying officer. Any transfer agent, registrar and paying agent or officer shall comply with all applicable federal and state laws and regulations respecting the carrying out of such duties. Unless provided for in the contract between the City and the fiscal agencies or between the State Finance Committee of the State of Washington and the fiscal agencies, each such ordinance authorizing the issuance of such bonds or other obligations shall specify the terms and conditions of making payments of principal and interest, for the provision of printing any physical instruments including the use of identifying numbers or other designations, the specifying of record and payment dates, the determination of denominations, the manner of communicating to the owners of such bonds or other obligations, the receipt of the physical instruments for payment of principal, the destruction of such instruments and the certification of such destruction, the registration and release of securing interests and for such other matters pertaining to the registration of such bonds or other obligations authorized by such ordinance as the City may deem to be necessary or appropriate.

3.30.040. CONTRACT FOR FISCAL AGENT SERVICES AUTHORIZED.
A. The Director of Finance of the City is authorized to
enter into a contract with the fiscal agency or agencies of the State of Washington in connection with the establishment and maintenance by such fiscal agency or agencies of a central depository system for the transfer or pledge of bonds or other obligations and for the services as authenticating trustee, transfer agent, registrar and paying agent for such bonds and other obligations. Such contract shall define the rights and duties of such fiscal agency so acting and the means and amount of compensation there-of. In addition, in lieu of making provisions in each ordinance authorizing the issuance of bonds or other obligations, such contract may make specific provision for the procedures for payment, identification by numbers or other designations, the manner of issuance or reissuance of certificates, the manner of transfer, the manner of communication to owners of bonds or other obligations for accounting to the City and for cancelled certificate of destruction, registration and release of securing interest and for such other matters as may be appropriate.

B. Until such contract is entered into, the City incorporates by reference all the terms of the contract respecting registration of bonds and other obligations entered into between the State Finance Committee of the State of Washington and the fiscal agencies.

3.30.050. OWNERSHIP, REGISTRATION AND ASSIGNABILITY OF INSTRUMENTS.

Any physical instrument issued or executed by the City subject to registration under this ordinance shall state on its face that the principal thereof and interest thereon 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 that such instrument, either principal or interest, may not be assigned except on the books of the registrar.

Section 2. Any act consistent with the authority and prior to the effective date of this ordinance is hereby ratified and confirmed.

Section 3. Effective Date. This ordinance shall take effect and be in force five (5) days from and after its passage, approval and publication as provided by law.
ATTEST:

MARIE JENKIN, CITY CLERK

APPROVED AS TO FORM:

P. STEPHEN DIJULIO, CITY ATTORNEY

PASSED the 18 day of July, 1983.
APPROVED the 19 day of July, 1983.
PUBLISHED the 27 day of July, 1983.

I hereby certify that this is a true copy of Ordinance No. 2418, passed by the City Council of the City of Kent, Washington, and approved by the Mayor of the City of Kent as hereon indicated.

MARIE JENKIN, CITY CLERK

(Seal)

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