

Chapter 3.36

BOND AND OBLIGATION REGISTRATION

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3.36.010 Findings. The City Council finds that it is in the City's best interest to establish a system of registering the ownership of the City's bonds and obligations in the manner permitted by law. (Ord. 1556, 1985)

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

- A. "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. "City" means the City of Snohomish, Washington.
- C. "Fiscal agencies" means the duly appointed fiscal agencies of the state of Washington serving as such at any given time.
- D. "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. "Registrar" shall mean the person or persons designated by the City to

register ownership of bonds or obligations under this chapter. (Ord. 1556, 1985)

3.36.030 Adoption of Registration System.

The City adopts the system of registering the ownership of its bonds and obligations set out in Sections 3.36.040 through 3.36.080. (Ord. 1556, 1935)

3.36.040 Registration Requirement.

All bonds and obligations offered to the public, having a maturity of more than one year and issued by the City after June 30, 1933, 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. (Ord. 1556, 1985)

3.36.050 Method of Registration.

A. The registration of all city 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 city 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 re-issuance of the old bond or obligation or the issuance of a new bond or obligation to the new owners.

B. 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. (Ord. 1556, 1985)

3.36.060 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 re-issuance may be in smaller amounts than the individual denominations for which they are reissued. (Ord. 1556, 1985)

3.36.070 Registrar--Appointment. Unless otherwise provided in the ordinance authorizing the issuance of registered bonds or obligations, the City Clerk-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 without a fixed maturity date or maturing one year or more after issuance and the fiscal agencies shall be the registrar for all other City bonds and obligations without a fixed maturity date or maturing one year or more after issuance. (Ord. 1556, 1985)

3.36.080 Registrar--Duties.

- A. The registrar shall serve as the City'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.
- B. 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 City Clerk-Treasurer and the registrar, except in the instances when the fiscal agencies between the State Finance Committee of the state of Washington and the fiscal agencies in lieu of executing a separate contract shall be required.

- C. 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 and 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 City may deem to

be necessary or appropriate. (Ord. 1556, 1985)

3.36.090 Statement of Transfer Restrictions. Any physical instrument issued or executed by the City subject to registration under this chapter 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. (Ord. 1556, 1985)