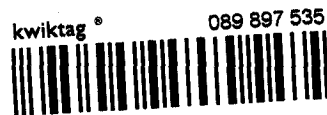


# ENROLLMENT(S)



(5)

# COUNCIL OF THE DISTRICT OF COLUMBIA

## NOTICE

### D.C. LAW 12- 1

#### "General Obligation Note Act of 1997".

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P.L. 93-198 "the Act", the Council of the District of Columbia adopted Bill No. 12-4, on first and second readings, January 7, 1997 and February 4, 1997, respectively. Following the signature of the Mayor on February 7, 1997, pursuant to Section 404(e) of "the Act", and was assigned Act No. 12-5, and published in the March 14, 1997, edition of the D.C. Register (Vol. 44 page 1469) and transmitted to Congress on March 6, 1997 for a 30-day review, in accordance with Section 602(c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional Review Period has expired, and therefore, cites this enactment as D.C. Law 12-1, effective May 7, 1997.



LINDA W. CROPP  
Acting Chairman of the Council

#### Dates Counted During the 30-day Congressional Review Period:

Mar.	6,10,11,12,13,14,17,18,19,20,21
Apr.	7,8,9,10,14,15,16,17,21,22,23,24,25,28,29,30
May	1,5,6

**ENROLLED ORIGINAL**

AN ACT

D.C. ACT 12-5

*Codification  
District of  
Columbia  
Code  
1997 Supp.*

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

FEBRUARY 7, 1997

To authorize the issuance of general obligation notes of the District of Columbia for the purposes of financing certain appropriations for which unappropriated revenues are not available.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "General Obligation Note Act of 1997."

Sec. 2. Definitions.

*Note, Section  
47-327*

For the purposes of this act, the term:

(1) "Authority" means the District of Columbia Financial Responsibility and Management Assistance Authority established by section 101 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, approved April 17, 1995 (109 Stat. 100; D.C. Code § 47-391.1).

(2) "Authorized delegate" means the Chief Financial Officer, the District Treasurer, the City Administrator, the Assistant City Administrator for Economic Development, or any officer or employee of the executive office of the Mayor to whom the Mayor has delegated any of the Mayor's functions under this act pursuant to section 422(6) of the Home Rule Act.

(3) "Bond Counsel" means a firm or firms of attorneys designated as bond counsel or co-bond counsel from time to time by the Mayor.

(4) "Chief Financial Officer" means the Chief Financial Officer established pursuant to section 424(a)(1) of the Home Rule Act.

(5) "Council" means the Council of the District of Columbia.

(6) "District" means the District of Columbia.

(7) "Escrow agent" means any bank, trust company, or national banking association qualified to exercise trust powers in the District and designated to serve in this capacity by the Mayor or the Authority.

**ENROLLED ORIGINAL**

(8) "Escrow agreement" means any agreement heretofore or hereafter entered into by the Mayor to provide for the custody, investment, and disbursement of revenues and funds pledged to, and a security interest in which is created for, the payment of the principal of and interest on the notes.

(9) "Home Rule Act" means the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 774; D.C. Code § 1-201 *et seq.*), as amended.

(10) "Mayor" means the Mayor of the District of Columbia.

(11) "Notes" means District general obligation notes authorized to be issued pursuant to this act.

(12) "Paying agent" means the District or any bank, trust company, or national banking association designated to serve in this capacity by the Mayor pursuant to section 5.

(13) "Registrar" means the District or any bank, trust company, or national banking association designated to serve in this capacity by the Mayor pursuant to section 5.

(14) "Secretary" means the Secretary of the District of Columbia.

**Sec. 3. Findings.**

The Council finds that:

(1) Under section 471 of the Home Rule Act, in the absence of unappropriated revenues available to meet appropriations, the Council may authorize, by act, the issuance of general obligation notes, the total amount of which issued during any fiscal year may not exceed two percent of total appropriations for the District for such fiscal year.

(2) Under section 482 of the Home Rule Act, the full faith and credit of the District is pledged to the payment of the principal of and interest on any general obligation notes issued under section 471.

(3) Under section 483 of the Home Rule Act, the Council is required to provide in the annual budget sufficient funds to pay the principal of and interest on all general obligation notes becoming due and payable during that fiscal year, and the Mayor is required to ensure that the principal of and interest on all general obligation notes is paid when due, including by paying such principal and interest from funds not otherwise legally committed.

(4) The Mayor has advised the Council that for Fiscal Year 1997 there are \$74,000,000 of appropriations for which unappropriated revenues are not available, therefore it is necessary for the District to issue its general obligation notes to fund such appropriations and the related transaction costs.

(5) The issuance of the notes to fund such amounts will not cause the total amount of general obligation notes originally issued during Fiscal Year 1997 to exceed two percent of the total appropriations for the District for such fiscal year.

(6) The issuance of general obligation notes to fund such an amount is in the

**ENROLLED ORIGINAL**

public interest.

**Sec. 4. Note authorization.**

(a) The proceeds of the note shall be deposited into an escrow account held by the Authority in accordance with Pub. L. 104-8, section 211 (b).

(b) The District is hereby authorized to incur indebtedness pursuant to section 471 of the Home Rule Act in an amount sufficient to fund the \$74,000,000 of appropriations for which unappropriated revenues are not available and the costs of issuing and delivering the notes.

(c) The Mayor is authorized to pay from the proceeds of the notes, the costs and expenses of issuing and delivering the notes, including underwriting, legal advice, accounting services, financial advice, note insurance or other credit enhancement, printing costs and expenses, and any other reasonable and necessary services in connection therewith.

**Sec. 5. Note Details.**

(a) The notes shall be known as District of Columbia 1997 General Obligation Notes, and shall be renewable; provided, that all such notes and any renewal thereof shall be due and payable, as to both principal and interest, not later than September 30, 1998. The notes shall be numbered as to each series from 1 upwards, shall be in denominations of \$100,000 or any integral multiple of \$100,000, and shall be negotiable registered notes.

(b) The Mayor is authorized to take any action necessary or appropriate in accordance with this act in connection with the preparation, execution, issuance, sale, delivery, security for, and payment of the notes, including, but not limited to, determinations of:

(1) Whether the notes are to be issued in one or more series and the principal amount of each series;

(2) For each series of the notes, the date of issuance, sale, and delivery of the notes, the maturity date or dates of the notes (provided that the maximum maturity of any note or any renewal thereof shall be not later than September 30, 1998), and the dates for payment of principal and interest on the notes;

(3) The rate or rates of interest or the method for determining the rate or rates of interest on the notes; provided, that the interest rate or rates borne by the notes of any series shall not exceed 15% per year calculated on the basis of a 365-day year (actual days elapsed);

(4) The price and terms under which the notes may be paid, optionally or mandatorily redeemed, accelerated, tendered, called, or put for redemption, repurchase, or remarketing before their stated maturities;

(5) The final form, content, and terms of the notes, including a determination that the notes may be issued in book-entry form;

(6) The designation of a registrar, if other than the District, for any series of the notes, without regard to any act or resolution of the Council, other than this act, now existing or

## ENROLLED ORIGINAL

adopted after this act becomes effective and the execution and delivery of any necessary agreements relating to the appointment;

(7) The designation of paying agents or escrow agents for any series of the notes, without regard to any act or resolution of the Council, other than this act, now existing or adopted after this act becomes effective, and the execution and delivery of any necessary agreements relating to the appointment;

(8) Provisions for the registration, transfer, and exchange of the notes and the replacement of mutilated, lost, stolen, or destroyed notes; and

(9) Provisions for the security of holders of the notes, including, but not limited to, the pledge of any revenues or other funds of the District legally available for such purpose and the obtaining of note insurance or other credit enhancement for the notes.

(b) The notes shall be executed in the name of the District and on its behalf by the manual or facsimile signature of the Mayor and of an authorized delegate. To the extent required by the Home Rule Act, at least one of these signatures shall be manual. To the extent required by the Home Rule Act, the official seal of the District, or a facsimile of it, shall be impressed, printed, or otherwise reproduced on the notes.

(c) If a registrar is designated, the registrar shall manually authenticate each note and maintain the books of registration for the payment of the principal of, and interest on, the notes and perform other ministerial responsibilities as specifically provided in its appointment as registrar, and the securities depository, if the notes are issued in book-entry form, shall maintain or cause to be maintained books of registration of owners of beneficial interests in the notes.

### Sec. 6. Sale of the Notes.

(a) The notes of any series may be sold by the Mayor by competitive bid or by negotiated sale. The notes shall be sold at a price not less than par, plus accrued interest from the dated date of the notes to the date of delivery of the notes. The purchase contract or bid form shall contain the terms that the Mayor considers necessary or appropriate to carry out the purposes of this act. The Mayor's execution and delivery of the purchase contract or bid form shall constitute conclusive evidence of the Mayor's approval, on behalf of the District, of the final form and content of the notes. The Mayor shall deliver the notes, on behalf of the District, to the purchasers upon receiving the purchase price provided in the purchase contract or bid form.

(b) The Mayor may prepare or cause to be prepared and may execute, in relation to each sale of the notes, offering documents on behalf of the District and may authorize the documents' distribution in relation to the notes being sold.

(c) The Mayor shall take actions and execute and deliver agreements, documents, and instruments (including any amendment of or supplement to any such agreement, document, or instrument) as required by or incidental to:

(1) The issuance of the notes;

**ENROLLED ORIGINAL**

(2) The exclusion from gross income for federal income tax purposes of interest on the notes, the treatment of interest on the notes as not an item of tax preference for purposes of the federal alternative minimum tax ("non-AMT"), if the notes are originally issued as non-AMT notes, and the exemption from District taxation of interest on the notes;

(3) The performance of any covenant contained in this act or any purchase contract for the notes or escrow or other agreement for the security thereof; or

(4) The provision for securing the repayment of the notes by a letter or line of credit or other form of credit enhancement, and the payment of any required premium or the repayment of advances under any such credit enhancement, including the evidencing of any such repayment obligation with a negotiable instrument with such terms as the Mayor shall determine (provided that the rate of interest on any such repayment obligation shall not exceed 15% per year).

(d) The notes shall not be issued until the Mayor receives an approving opinion from bond counsel as to the validity of the notes and the treatment of the interest on the notes for purposes of federal and District income taxation.

(e) The Mayor shall execute a note issuance certificate evidencing the determinations made and other actions taken by the Mayor for each series of the notes issued and shall designate in the note issuance certificate the amount of the notes to be used to finance appropriations, the date of the notes, the series designation, the authorized denominations, the paying agent or agents, and any other matters pertaining to the notes, including any matters applicable under section 5(b). A copy of the note issuance certificate shall be filed with the Secretary to the Council not more than three days after the delivery of the notes covered by the note issuance certificate. Any note issuance certificate shall be conclusive evidence of the actions or determinations taken or made as stated in the note issuance certificate.

(f)(1) The District of Columbia Procurement Practices Act of 1985, effective February 21, 1986 (D.C. Law 6-85; D.C. Code § 1-1181.1 *et seq.*), and the District of Columbia Depository Act of 1977, effective October 26, 1977 (D.C. Law 2-32; D.C. Code, secs. 47-341 *et seq.*) ("Procurement Act"), shall not apply to whatever contract the Mayor may from time to time enter into or the Mayor may determine to be necessary or appropriate to place, in whole or in part:

(A) An investment or obligation of the District as represented by the notes;

(B) An investment or obligation or program of investment; or

(C) A contract or contracts based on the interest rate, currency, cash flow, or other basis, including, without limitation, interest rate swap agreements, currency swap agreements, insurance agreements, forward payment conversion agreements, futures, contracts providing for payments based on levels of, or changes in, interest rates, currency exchange rates or stock or other indices, contracts to exchange cash flows or a series of payments, and contracts

## ENROLLED ORIGINAL

to hedge payment, currency, rate, spread, or similar exposure, including, without limitation, interest rate floors, or caps, options, puts, and calls.

(2) The contracts or other arrangements may also be entered into by the District in connection with, or incidental to, entering into or maintaining any agreement that secures the notes. The contracts or other arrangements shall contain whatever payment, security, and other terms and conditions the Mayor may deem appropriate and shall be entered into with whatever party or parties the Mayor may select, after giving due consideration, where applicable, to the creditworthiness of the counterparty or counterparties, including any rating by a nationally recognized rating agency or any other criteria as may be appropriate. In connection with, or incidental to, the issuance or holding of the notes or entering into any contract or other arrangement referred to in this section, the District may enter into credit enhancement or liquidity agreements with payment, interest rate, termination date, currency, security, default, remedy, and any other terms and conditions as the Mayor determines. Proceeds of the notes and any money set aside and pledged to secure payment of the notes or any contract or other arrangement entered into pursuant to this section may be pledged to and used to service any contract or other arrangement entered into pursuant to this section.

### Sec. 7. Payment and Security.

(a) The full faith and credit of the District is pledged for the payment of the principal of and interest on the notes when due.

(b) There are provided and approved for expenditure sums as may be necessary for making payments of the principal of and interest on the notes coming due for any reason in the fiscal year ending September 30, 1997, pursuant to the provisions of the District of Columbia Appropriations Act, 1997, approved September 9, 1996 (Pub. L. No. 104-194).

(c) The Council shall, in the full exercise of the authority granted in section 483 of the Home Rule Act and under any other law, provide in the annual budget for Fiscal Year 1998 of the District sufficient funds to pay the principal of, and interest on, the notes becoming due and payable during that fiscal year.

(d) The Mayor shall, in the full exercise of the authority granted the Mayor under the Home Rule Act and under any other law, take such actions as may be necessary or appropriate to ensure that the principal of, and interest on, the notes are paid when due for any reason, including the payment of principal and interest from any funds or accounts of the District not otherwise legally committed. Without limiting any obligation under this act or any escrow agreement, the Mayor reserves the right, at his discretion, to deposit available funds with the escrow agent, if one is appointed.

(e) If the Mayor determines that funds not otherwise legally committed are not available to pay the principal and interest due and payable for any reason during any fiscal year on the notes, the annual federal payment appropriated for that fiscal year, to the extent available, shall



**ENROLLED ORIGINAL**

first be used to pay principal of and interest on the notes.

(f) The notes shall evidence continuing obligations of the District until paid in accordance with their terms.

(g) Any paying agent shall pay the principal of, and interest on, the notes and may perform other ministerial responsibilities as specifically provided in its appointment as paying agent.

(h) Notwithstanding any contrary provision set forth in, and without regard to the requirements of, the Procurement Act and without regard to any act or resolution of the Council now existing or adopted after the effective date of this act, the Mayor may from time to time enter into whatever contracts or agreements the Mayor may determine to be necessary or appropriate for the preparation, execution, issuance, sale or delivery of, or security for, the notes, including contracts or agreements for an escrow agent, underwriting, legal services, accounting services, financial advisory services, note insurance or other credit enhancement, printing, a registrar, a paying agent, letter or line of credit, or placement of an investment or obligation or program of investment. Any such contracts or agreements shall contain whatever terms and conditions the Mayor may deem appropriate and shall be entered into with whatever party or parties the Mayor may select. Proceeds of the notes may be pledged and used to service any contract or agreement entered into pursuant to this section.

(i) The notes may be further secured by a pledge of, and lien on, funds on deposit, including investment income, with an escrow agent pursuant to an escrow agreement. The deposit of funds in any such escrow account shall constitute a pledge of the funds for payment of the principal and interest on the notes when due and funds shall not be used for other purposes so long as the notes are outstanding and unpaid.

(j) The notes shall be payable, as to both principal and interest, in lawful money of the United States of America in immediately available or same day funds at one or more paying agents, as may be designated by the Mayor in accordance with any applicable legal requirements. Any and all of the paying agents shall be qualified to act as paying agents under the laws of the United States of America, of the District, or of the state in which they are located, and shall be designated by the Mayor without regard to any other act or resolution of the Council now existing or adopted after the effective date of this act.

**Sec. 8. District officials.**

(a) The elected and appointed officials, officers, employees, or agents of the District shall not be liable personally for the payment of the notes or be subject to any personal liability by reason of the issuance of the notes.

(b) The signature, countersignature, facsimile signature, or facsimile countersignature on the notes shall be valid and sufficient for all purposes, notwithstanding the fact that the official ceases to that official before delivery of the notes.

## ENROLLED ORIGINAL

### Sec. 9. Defeasance.

(a) The notes shall no longer be considered outstanding and unpaid for the purpose of this act and the requirements of this act shall be deemed discharged with respect to the notes if the Mayor:

(1) Deposits with an escrow agent (which may be any bank, trust company, or national banking association then serving as the escrow agent for the notes) in a separate defeasance escrow account, established and maintained by the escrow agent solely at the expense of the District and held in trust for the note owners, sufficient moneys or direct obligations of the United States, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay when due the principal of and interest payable on all the notes at maturity; and

(2) Delivers to the defeasance escrow agent an irrevocable letter of instruction to apply the moneys or investments to the payment of the notes at their maturity.

(b) The defeasance escrow agent shall not invest the defeasance escrow account in any investment callable at the option of its issuer if the call could result in less than sufficient moneys being available for the purposes required by this section.

(c) The moneys and direct obligations referred to in subsection (a) of this section may include moneys or direct obligations of the United States of America held by any escrow agent for the notes under an escrow agreement and transferred, at the written direction of the Mayor, to the defeasance escrow account.

(d) The defeasance escrow account specified in subsection (a) of this section may be established and maintained without regard to any limitations placed on these accounts by any act or resolution of the Council now existing or adopted after this act becomes effective, except for this act.

### Sec. 10. Tax Status.

The Mayor shall not (i) take any action or omit to take any action, or (ii) invest, reinvest, or accumulate any moneys in a manner that will cause the interest on the notes to be includable in gross income for federal income tax purposes or, if such notes were issued as non-AMT notes, that will cause the interest on the notes to be treated as an item of tax preference for purposes of the federal alternative minimum tax, and the Mayor shall take all actions necessary to be taken, including to make any rebate payment, if any, when due so that the interest on the notes will not be includable in gross income for federal income tax purposes, or, if the notes were issued as non-AMT notes, be treated as an item of tax preference for purposes of the federal alternative minimum tax.

## ENROLLED ORIGINAL

### Sec. 11. Contract.

This act shall constitute a contract between the District and the owners of the notes authorized by this act. To the extent that any acts or resolutions of the Council may be in conflict with this act, this act shall be controlling.

### Sec. 12. Authorized delegation of authority.

To the extent permitted by the District and federal laws, the Mayor may delegate to the Chief Financial Officer, the Treasurer, the City Administrator, the Assistant City Administrator for Economic Development, or any other authorized delegate the performance of any act authorized to be performed by the Mayor under this act.

### Sec. 13. Maintenance of documents.

Copies of the specimen notes and related documents shall be filed in the Office of the Secretary.

### Sec. 14. Information reporting.

Within 3 days after the Mayor's receipt of the transcript of proceedings relating to the issuance of any series of the notes, the Mayor shall transmit a copy of the transcript to the Secretary to the Council.

### Sec. 15. Severability.

As provided in the General Rule of Severability Adoption Act of 1983, effective March 14, 1984 (D.C. Law 5-56; D.C. Code § 49-601), if any provision of this act or the application of this act to any person or circumstance is held to be unconstitutional or beyond the statutory authority of the Council, or otherwise invalid, the invalidity shall not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

### Sec. 16. Fiscal impact statement.

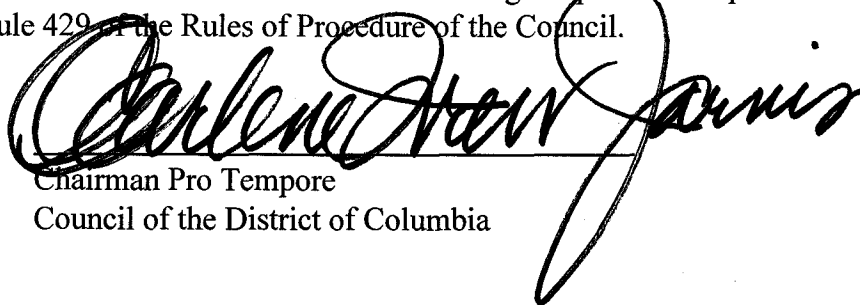
The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(3)).

### Sec. 17. Effective Date.

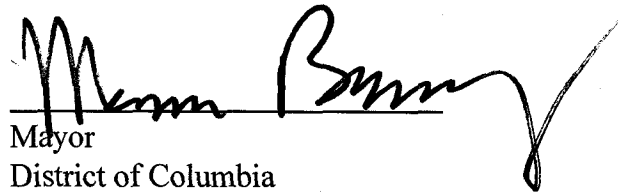
This act shall take effect after a 30-day period of Congressional review following approval by the Mayor (or in the event of veto by the Mayor, action by the Council of the District of Columbia to override the veto) as provided in section 602(c)(1) of the Home Rule Act,

**ENROLLED ORIGINAL**

approval by the Financial Responsibility and Management Assistance Authority as provided in Section 203(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, approved April 17, 1995 (109 Stat. 116; D.C. Code § 47-392.3(a)), as amended, and publication in the District of Columbia Register; provided, however, that if an act of the U.S. Congress provides for an earlier effective date for this act notwithstanding section 602(c)(1) of the Home Rule Act, this act shall take effect on that earlier date notwithstanding section 602(c)(1) of the Home Rule Act and notwithstanding the publication provisions of D.C. Code § 1-1602 or Rule 429 of the Rules of Procedure of the Council.



Chairman Pro Tempore  
Council of the District of Columbia



Mayor  
District of Columbia

APPROVED: February 7, 1997



## COUNCIL OF THE DISTRICT OF COLUMBIA

COUNCIL PERIOD TWELVE

## RECORD OF OFFICIAL COUNCIL VOTE

Docket No.

B12-4

| | ITEM ON CONSENT CALENDAR

☒ ACTION & DATE

ADOPTED FIRST READING, 1-7-97

☒ VOICE VOTE

APPROVED

RECORDED VOTE ON REQUEST

ABSENT

CHAIRMAN CLARKE

| | ROLL CALL VOTE - Result

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Clarke					Evans					Smith, Jr.				
Allen					Jarvis					Thomas, Sr.				
Brazil					Mason									
Chavous					Patterson									
Cropp					Schwartz									

X - Indicates Vote

AB - Absent

NV - Present not Voting

## CERTIFICATION RECORD

*Clarke*  
Secretary to the Council

*February 6, 1997*  
Date

| | ITEM ON CONSENT CALENDAR

☒ ACTION & DATE

ADOPTED FINAL READING, 2-4-97

☒ VOICE VOTE

APPROVED

RECORDED VOTE ON REQUEST

ABSENT

CHAIRMAN CLARKE

| | ROLL CALL VOTE - Result

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Clarke					Evans					Smith, Jr.				
Allen					Jarvis					Thomas, Sr.				
Brazil					Mason									
Chavous					Patterson									
Cropp					Schwartz									

X-indicates no

AB-Absent

NV-Present not voting

## CERTIFICATION RECORD

*Clarke*  
Secretary to the Council

*February 6, 1997*  
Date

| | ITEM ON CONSENT CALENDAR

| | ACTION &amp; DATE

| | VOICE VOTE

RECORDED VOTE ON REQUEST

ABSENT

| | ROLL CALL VOTE - Result

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Clarke					Evans					Thomas, Sr.				
Allen					Jarvis									
Brazil					Mason									
Chavous					Patterson									
Cropp					Schwartz									

X - Indicates Vote

AB - Absent

NV - Present not Voting

## CERTIFICATION RECORD

Secretary to the Council

Date

AN ACT

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*Codification  
District of  
Columbia  
Code  
1997 Supp.*

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

---

To authorize the issuance of general obligation notes of the District of Columbia for the purposes of financing certain appropriations for which unappropriated revenues are not available.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "General Obligation Note Act of 1997."

Sec. 2. Definitions.

*Note, Section  
47-327*

For the purposes of this act, the term:

(1) "Authority" means the District of Columbia Financial Responsibility and Management Assistance Authority established by section 101 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, approved April 17, 1995 (109 Stat. 100; D.C. Code § 47-391.1).

(2) "Authorized delegate" means the Chief Financial Officer, the District Treasurer, the City Administrator, the Assistant City Administrator for Economic Development, or any officer or employee of the executive office of the Mayor to whom the Mayor has delegated any of the Mayor's functions under this act pursuant to section 422(6) of the Home Rule Act.

(3) "Bond Counsel" means a firm or firms of attorneys designated as bond counsel or co-bond counsel from time to time by the Mayor.

(4) "Chief Financial Officer" means the Chief Financial Officer established pursuant to section 424(a)(1) of the Home Rule Act.

(5) "Council" means the Council of the District of Columbia.

(6) "District" means the District of Columbia.

(7) "Escrow agent" means any bank, trust company, or national banking association qualified to exercise trust powers in the District and designated to serve in this capacity by the Mayor or the Authority.

## ENROLLED ORIGINAL

(8) "Escrow agreement" means any agreement heretofore or hereafter entered into by the Mayor to provide for the custody, investment, and disbursement of revenues and funds pledged to, and a security interest in which is created for, the payment of the principal of and interest on the notes.

(9) "Home Rule Act" means the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 774; D.C. Code § 1-201 *et seq.*), as amended.

(10) "Mayor" means the Mayor of the District of Columbia.

(11) "Notes" means District general obligation notes authorized to be issued pursuant to this act.

(12) "Paying agent" means the District or any bank, trust company, or national banking association designated to serve in this capacity by the Mayor pursuant to section 5.

(13) "Registrar" means the District or any bank, trust company, or national banking association designated to serve in this capacity by the Mayor pursuant to section 5.

(14) "Secretary" means the Secretary of the District of Columbia.

### Sec. 3. Findings.

The Council finds that:

(1) Under section 471 of the Home Rule Act, in the absence of unappropriated revenues available to meet appropriations, the Council may authorize, by act, the issuance of general obligation notes, the total amount of which issued during any fiscal year may not exceed two percent of total appropriations for the District for such fiscal year.

(2) Under section 482 of the Home Rule Act, the full faith and credit of the District is pledged to the payment of the principal of and interest on any general obligation notes issued under section 471.

(3) Under section 483 of the Home Rule Act, the Council is required to provide in the annual budget sufficient funds to pay the principal of and interest on all general obligation notes becoming due and payable during that fiscal year, and the Mayor is required to ensure that the principal of and interest on all general obligation notes is paid when due, including by paying such principal and interest from funds not otherwise legally committed.

(4) The Mayor has advised the Council that for Fiscal Year 1997 there are \$74,000,000 of appropriations for which unappropriated revenues are not available, therefore it is necessary for the District to issue its general obligation notes to fund such appropriations and the related transaction costs.

(5) The issuance of the notes to fund such amounts will not cause the total amount of general obligation notes originally issued during Fiscal Year 1997 to exceed two percent of the total appropriations for the District for such fiscal year.

(6) The issuance of general obligation notes to fund such an amount is in the

## ENROLLED ORIGINAL

public interest.

### Sec. 4. Note authorization.

(a) The proceeds of the note shall be deposited into an escrow account held by the Authority in accordance with Pub. L. 104-8, section 211 (b).

(b) The District is hereby authorized to incur indebtedness pursuant to section 471 of the Home Rule Act in an amount sufficient to fund the \$74,000,000 of appropriations for which unappropriated revenues are not available and the costs of issuing and delivering the notes.

(c) The Mayor is authorized to pay from the proceeds of the notes, the costs and expenses of issuing and delivering the notes, including underwriting, legal advice, accounting services, financial advice, note insurance or other credit enhancement, printing costs and expenses, and any other reasonable and necessary services in connection therewith.

### Sec. 5. Note Details.

(a) The notes shall be known as District of Columbia 1997 General Obligation Notes, and shall be renewable; provided, that all such notes and any renewal thereof shall be due and payable, as to both principal and interest, not later than September 30, 1998. The notes shall be numbered as to each series from 1 upwards, shall be in denominations of \$100,000 or any integral multiple of \$100,000, and shall be negotiable registered notes.

(b) The Mayor is authorized to take any action necessary or appropriate in accordance with this act in connection with the preparation, execution, issuance, sale, delivery, security for, and payment of the notes, including, but not limited to, determinations of:

(1) Whether the notes are to be issued in one or more series and the principal amount of each series;

(2) For each series of the notes, the date of issuance, sale, and delivery of the notes, the maturity date or dates of the notes (provided that the maximum maturity of any note or any renewal thereof shall be not later than September 30, 1998), and the dates for payment of principal and interest on the notes;

(3) The rate or rates of interest or the method for determining the rate or rates of interest on the notes; provided, that the interest rate or rates borne by the notes of any series shall not exceed 15% per year calculated on the basis of a 365-day year (actual days elapsed);

(4) The price and terms under which the notes may be paid, optionally or mandatorily redeemed, accelerated, tendered, called, or put for redemption, repurchase, or remarketing before their stated maturities;

(5) The final form, content, and terms of the notes, including a determination that the notes may be issued in book-entry form;

(6) The designation of a registrar, if other than the District, for any series of the notes, without regard to any act or resolution of the Council, other than this act, now existing or



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adopted after this act becomes effective and the execution and delivery of any necessary agreements relating to the appointment;

(7) The designation of paying agents or escrow agents for any series of the notes, without regard to any act or resolution of the Council, other than this act, now existing or adopted after this act becomes effective, and the execution and delivery of any necessary agreements relating to the appointment;

(8) Provisions for the registration, transfer, and exchange of the notes and the replacement of mutilated, lost, stolen, or destroyed notes; and

(9) Provisions for the security of holders of the notes, including, but not limited to, the pledge of any revenues or other funds of the District legally available for such purpose and the obtaining of note insurance or other credit enhancement for the notes.

(b) The notes shall be executed in the name of the District and on its behalf by the manual or facsimile signature of the Mayor and of an authorized delegate. To the extent required by the Home Rule Act, at least one of these signatures shall be manual. To the extent required by the Home Rule Act, the official seal of the District, or a facsimile of it, shall be impressed, printed, or otherwise reproduced on the notes.

(c) If a registrar is designated, the registrar shall manually authenticate each note and maintain the books of registration for the payment of the principal of, and interest on, the notes and perform other ministerial responsibilities as specifically provided in its appointment as registrar, and the securities depository, if the notes are issued in book-entry form, shall maintain or cause to be maintained books of registration of owners of beneficial interests in the notes.

### Sec. 6. Sale of the Notes.

(a) The notes of any series may be sold by the Mayor by competitive bid or by negotiated sale. The notes shall be sold at a price not less than par, plus accrued interest from the dated date of the notes to the date of delivery of the notes. The purchase contract or bid form shall contain the terms that the Mayor considers necessary or appropriate to carry out the purposes of this act. The Mayor's execution and delivery of the purchase contract or bid form shall constitute conclusive evidence of the Mayor's approval, on behalf of the District, of the final form and content of the notes. The Mayor shall deliver the notes, on behalf of the District, to the purchasers upon receiving the purchase price provided in the purchase contract or bid form.

(b) The Mayor may prepare or cause to be prepared and may execute, in relation to each sale of the notes, offering documents on behalf of the District and may authorize the documents' distribution in relation to the notes being sold.

(c) The Mayor shall take actions and execute and deliver agreements, documents, and instruments (including any amendment of or supplement to any such agreement, document, or instrument) as required by or incidental to:

(1) The issuance of the notes;

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(2) The exclusion from gross income for federal income tax purposes of interest on the notes, the treatment of interest on the notes as not an item of tax preference for purposes of the federal alternative minimum tax ("non-AMT"), if the notes are originally issued as non-AMT notes, and the exemption from District taxation of interest on the notes;

(3) The performance of any covenant contained in this act or any purchase contract for the notes or escrow or other agreement for the security thereof; or

(4) The provision for securing the repayment of the notes by a letter or line of credit or other form of credit enhancement, and the payment of any required premium or the repayment of advances under any such credit enhancement, including the evidencing of any such repayment obligation with a negotiable instrument with such terms as the Mayor shall determine (provided that the rate of interest on any such repayment obligation shall not exceed 15% per year).

(d) The notes shall not be issued until the Mayor receives an approving opinion from bond counsel as to the validity of the notes and the treatment of the interest on the notes for purposes of federal and District income taxation.

(e) The Mayor shall execute a note issuance certificate evidencing the determinations made and other actions taken by the Mayor for each series of the notes issued and shall designate in the note issuance certificate the amount of the notes to be used to finance appropriations, the date of the notes, the series designation, the authorized denominations, the paying agent or agents, and any other matters pertaining to the notes, including any matters applicable under section 5(b). A copy of the note issuance certificate shall be filed with the Secretary to the Council not more than three days after the delivery of the notes covered by the note issuance certificate. Any note issuance certificate shall be conclusive evidence of the actions or determinations taken or made as stated in the note issuance certificate.

(f)(1) The District of Columbia Procurement Practices Act of 1985, effective February 21, 1986 (D.C. Law 6-85; D.C. Code § 1-1181.1 *et seq.*), and the District of Columbia Depository Act of 1977, effective October 26, 1977 (D.C. Law 2-32; D.C. Code, secs. 47-341 *et seq.*) ("Procurement Act"), shall not apply to whatever contract the Mayor may from time to time enter into or the Mayor may determine to be necessary or appropriate to place, in whole or in part:

(A) An investment or obligation of the District as represented by the notes;

(B) An investment or obligation or program of investment; or

(C) A contract or contracts based on the interest rate, currency, cash flow, or other basis, including, without limitation, interest rate swap agreements, currency swap agreements, insurance agreements, forward payment conversion agreements, futures, contracts providing for payments based on levels of, or changes in, interest rates, currency exchange rates or stock or other indices, contracts to exchange cash flows or a series of payments, and contracts

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to hedge payment, currency, rate, spread, or similar exposure, including, without limitation, interest rate floors, or caps, options, puts, and calls.

(2) The contracts or other arrangements may also be entered into by the District in connection with, or incidental to, entering into or maintaining any agreement that secures the notes. The contracts or other arrangements shall contain whatever payment, security, and other terms and conditions the Mayor may deem appropriate and shall be entered into with whatever party or parties the Mayor may select, after giving due consideration, where applicable, to the creditworthiness of the counterparty or counterparties, including any rating by a nationally recognized rating agency or any other criteria as may be appropriate. In connection with, or incidental to, the issuance or holding of the notes or entering into any contract or other arrangement referred to in this section, the District may enter into credit enhancement or liquidity agreements with payment, interest rate, termination date, currency, security, default, remedy, and any other terms and conditions as the Mayor determines. Proceeds of the notes and any money set aside and pledged to secure payment of the notes or any contract or other arrangement entered into pursuant to this section may be pledged to and used to service any contract or other arrangement entered into pursuant to this section.

### Sec. 7. Payment and Security.

(a) The full faith and credit of the District is pledged for the payment of the principal of and interest on the notes when due.

(b) There are provided and approved for expenditure sums as may be necessary for making payments of the principal of and interest on the notes coming due for any reason in the fiscal year ending September 30, 1997, pursuant to the provisions of the District of Columbia Appropriations Act, 1997, approved September 9, 1996 (Pub. L. No. 104-194).

(c) The Council shall, in the full exercise of the authority granted in section 483 of the Home Rule Act and under any other law, provide in the annual budget for Fiscal Year 1998 of the District sufficient funds to pay the principal of, and interest on, the notes becoming due and payable during that fiscal year.

(d) The Mayor shall, in the full exercise of the authority granted the Mayor under the Home Rule Act and under any other law, take such actions as may be necessary or appropriate to ensure that the principal of, and interest on, the notes are paid when due for any reason, including the payment of principal and interest from any funds or accounts of the District not otherwise legally committed. Without limiting any obligation under this act or any escrow agreement, the Mayor reserves the right, at his discretion, to deposit available funds with the escrow agent, if one is appointed.

(e) If the Mayor determines that funds not otherwise legally committed are not available to pay the principal and interest due and payable for any reason during any fiscal year on the notes, the annual federal payment appropriated for that fiscal year, to the extent available, shall

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first be used to pay principal of and interest on the notes.

(f) The notes shall evidence continuing obligations of the District until paid in accordance with their terms.

(g) Any paying agent shall pay the principal of, and interest on, the notes and may perform other ministerial responsibilities as specifically provided in its appointment as paying agent.

(h) Notwithstanding any contrary provision set forth in, and without regard to the requirements of, the Procurement Act and without regard to any act or resolution of the Council now existing or adopted after the effective date of this act, the Mayor may from time to time enter into whatever contracts or agreements the Mayor may determine to be necessary or appropriate for the preparation, execution, issuance, sale or delivery of, or security for, the notes, including contracts or agreements for an escrow agent, underwriting, legal services, accounting services, financial advisory services, note insurance or other credit enhancement, printing, a registrar, a paying agent, letter or line of credit, or placement of an investment or obligation or program of investment. Any such contracts or agreements shall contain whatever terms and conditions the Mayor may deem appropriate and shall be entered into with whatever party or parties the Mayor may select. Proceeds of the notes may be pledged and used to service any contract or agreement entered into pursuant to this section.

(i) The notes may be further secured by a pledge of, and lien on, funds on deposit, including investment income, with an escrow agent pursuant to an escrow agreement. The deposit of funds in any such escrow account shall constitute a pledge of the funds for payment of the principal and interest on the notes when due and funds shall not be used for other purposes so long as the notes are outstanding and unpaid.

(j) The notes shall be payable, as to both principal and interest, in lawful money of the United States of America in immediately available or same day funds at one or more paying agents, as may be designated by the Mayor in accordance with any applicable legal requirements. Any and all of the paying agents shall be qualified to act as paying agents under the laws of the United States of America, of the District, or of the state in which they are located, and shall be designated by the Mayor without regard to any other act or resolution of the Council now existing or adopted after the effective date of this act.

**Sec. 8. District officials.**

(a) The elected and appointed officials, officers, employees, or agents of the District shall not be liable personally for the payment of the notes or be subject to any personal liability by reason of the issuance of the notes.

(b) The signature, countersignature, facsimile signature, or facsimile countersignature on the notes shall be valid and sufficient for all purposes, notwithstanding the fact that the official ceases to that official before delivery of the notes.

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### Sec. 9. Defeasance.

(a) The notes shall no longer be considered outstanding and unpaid for the purpose of this act and the requirements of this act shall be deemed discharged with respect to the notes if the Mayor:

(1) Deposits with an escrow agent (which may be any bank, trust company, or national banking association then serving as the escrow agent for the notes) in a separate defeasance escrow account, established and maintained by the escrow agent solely at the expense of the District and held in trust for the note owners, sufficient moneys or direct obligations of the United States, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay when due the principal of and interest payable on all the notes at maturity; and

(2) Delivers to the defeasance escrow agent an irrevocable letter of instruction to apply the moneys or investments to the payment of the notes at their maturity.

(b) The defeasance escrow agent shall not invest the defeasance escrow account in any investment callable at the option of its issuer if the call could result in less than sufficient moneys being available for the purposes required by this section.

(c) The moneys and direct obligations referred to in subsection (a) of this section may include moneys or direct obligations of the United States of America held by any escrow agent for the notes under an escrow agreement and transferred, at the written direction of the Mayor, to the defeasance escrow account.

(d) The defeasance escrow account specified in subsection (a) of this section may be established and maintained without regard to any limitations placed on these accounts by any act or resolution of the Council now existing or adopted after this act becomes effective, except for this act.

### Sec. 10. Tax Status.

The Mayor shall not (i) take any action or omit to take any action, or (ii) invest, reinvest, or accumulate any moneys in a manner that will cause the interest on the notes to be includable in gross income for federal income tax purposes or, if such notes were issued as non-AMT notes, that will cause the interest on the notes to be treated as an item of tax preference for purposes of the federal alternative minimum tax, and the Mayor shall take all actions necessary to be taken, including to make any rebate payment, if any, when due so that the interest on the notes will not be includable in gross income for federal income tax purposes, or, if the notes were issued as non-AMT notes, be treated as an item of tax preference for purposes of the federal alternative minimum tax.

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**Sec. 11. Contract.**

This act shall constitute a contract between the District and the owners of the notes authorized by this act. To the extent that any acts or resolutions of the Council may be in conflict with this act, this act shall be controlling.

**Sec. 12. Authorized delegation of authority.**

To the extent permitted by the District and federal laws, the Mayor may delegate to the Chief Financial Officer, the Treasurer, the City Administrator, the Assistant City Administrator for Economic Development, or any other authorized delegate the performance of any act authorized to be performed by the Mayor under this act.

**Sec. 13. Maintenance of documents.**

Copies of the specimen notes and related documents shall be filed in the Office of the Secretary.

**Sec. 14. Information reporting.**

Within 3 days after the Mayor's receipt of the transcript of proceedings relating to the issuance of any series of the notes, the Mayor shall transmit a copy of the transcript to the Secretary to the Council.

**Sec. 15. Severability.**

As provided in the General Rule of Severability Adoption Act of 1983, effective March 14, 1984 (D.C. Law 5-56; D.C. Code § 49-601), if any provision of this act or the application of this act to any person or circumstance is held to be unconstitutional or beyond the statutory authority of the Council, or otherwise invalid, the invalidity shall not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

**Sec. 16. Fiscal impact statement.**

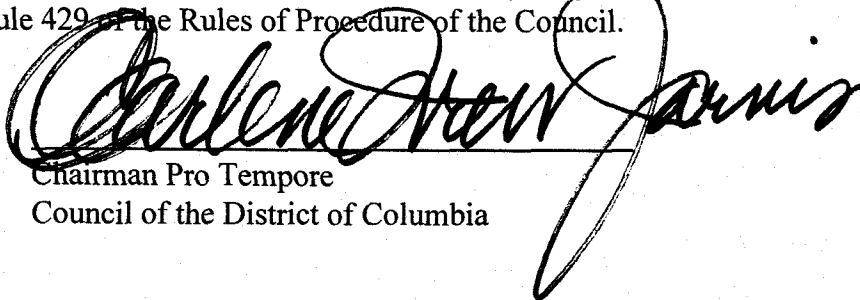
The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(3)).

**Sec. 17. Effective Date.**

This act shall take effect after a 30-day period of Congressional review following approval by the Mayor (or in the event of veto by the Mayor, action by the Council of the District of Columbia to override the veto) as provided in section 602(c)(1) of the Home Rule Act,

**ENROLLED ORIGINAL**

approval by the Financial Responsibility and Management Assistance Authority as provided in Section 203(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, approved April 17, 1995 (109 Stat. 116; D.C. Code § 47-392.3(a)), as amended, and publication in the District of Columbia Register; provided, however, that if an act of the U.S. Congress provides for an earlier effective date for this act notwithstanding section 602(c)(1) of the Home Rule Act, this act shall take effect on that earlier date notwithstanding section 602(c)(1) of the Home Rule Act and notwithstanding the publication provisions of D.C. Code § 1-1602 or Rule 429 of the Rules of Procedure of the Council.



Chairman Pro Tempore  
Council of the District of Columbia

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Mayor  
District of Columbia



## COUNCIL OF THE DISTRICT OF COLUMBIA

## COUNCIL PERIOD TWELVE

## RECORD OF OFFICIAL COUNCIL VOTE

Docket No. \_\_\_\_\_

B12-4

| | ITEM ON CONSENT CALENDAR

☒ ACTION & DATE

ADOPTED FIRST READING, 1-7-97

☒ VOICE VOTE

APPROVED

RECORDED VOTE ON REQUEST

ABSENT

CHAIRMAN CLARKE

| | ROLL CALL VOTE - Result

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Clarke					Evans					Smith, Jr.				
Allen					Jarvis					Thomas, Sr.				
Brazil					Mason									
Chavous					Patterson									
Cropp					Schwartz									

X - Indicates Vote      AB - Absent      NV - Present not Voting

CERTIFICATION RECORD

Secretary to the Council

Date

☒ ITEM ON CONSENT CALENDAR☒ ACTION & DATE

ADOPTED FINAL READING, 2-4-97

☒ VOICE VOTE

APPROVED

RECORDED VOTE ON REQUEST

ABSENT

CHAIRMAN CLARKE

| | ROLL CALL VOTE - Result

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Clarke					Evans					Smith, Jr.				
Allen					Jarvis					Thomas, Sr.				
Brazil					Mason									
Chavous					Patterson									
Cropp					Schwartz									

X - Indicates no      AB - Absent      NV - Present not voting

CERTIFICATION RECORD

Secretary to the Council

Date

| | ITEM ON CONSENT CALENDAR

| | ACTION &amp; DATE

| | VOICE VOTE

RECORDED VOTE ON REQUEST

ABSENT

| | ROLL CALL VOTE - Result

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Clarke					Evans					Thomas, Sr.				
Allen					Jarvis									
Brazil					Mason									
Chavous					Patterson									
Cropp					Schwartz									

X - Indicates Vote      AB - Absent      NV - Present not Voting

CERTIFICATION RECORD

Secretary to the Council

Date