

COUNCIL OF THE DISTRICT OF COLUMBIA


NOTICE

D.C. LAW 6-214

"General Obligation Bond Act of 1986".

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. 6-496 on first and second readings, November 25, 1986 and December 16, 1986, respectively. Following the signature of the Mayor on January 8, 1987, this legislation was assigned Act No. 6-274, published in the February 6, 1987, edition of the D.C. Register, (Vol. 34 page 865) and transmitted to Congress on January 13, 1987 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 6-214, effective February 28, 1987.


DAVID A. CLARKE
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

January 13,14,15,16,20,21,22,23,26,27,28,29,30

February 2,3,4,5,6,9,10,11,17,18,19,20,23,24,25,26,27

EFFECTIVE
DATE FEB 28 1987

AN ACT

D.C. ACT 6 - 2 7 4

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

JAN 08 1987

To authorize the issuance of general obligation bonds of the District of Columbia for the purposes of financing certain capital projects and of refunding certain capital indebtedness of the District of Columbia.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,

That this act may be cited as the "General Obligation Bond Act of 1986".

Note, D.C. Cod
sec. 47-321
(1987 supp.)

Sec. 2. Definitions.

For purposes of this act, the term:

(1) "Additional Bonds" means District general obligation bonds that may be issued pursuant to section 461 of the Home Rule Act and any act enacted subsequent to this act, on a parity with the Bonds.

(2) "Authorized delegate" means the City Administrator, the Deputy Mayor for Financial Management, the Deputy Mayor for Economic Development, and 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 from time to time by the Mayor.

(4) "Bonds" means District general obligation bonds authorized to be issued pursuant to this act.

(5) "Capital projects" means District capital projects as defined in section 103(8) of the Home Rule Act for either general governmental purposes or for enterprise purposes.

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

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

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

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

(10) "Outstanding debt" means at any time the outstanding indebtedness of the District for capital project loans from the Treasury of the United States and any outstanding general obligation bonds issued pursuant to this or any prior act.

(11) "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 6.

(12) "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 6.

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

(14) "Special tax fund" means the debt service fund established by the Mayor pursuant to section 9.

Sec. 3. Findings.

The Council finds that:

(1) Section 461 of the Home Rule Act authorizes the District to incur indebtedness by issuing general obligation bonds to refund indebtedness of the District at any time outstanding and to provide for the payment of the cost of acquiring or undertaking its various capital projects.

(2) The cost of outstanding debt could be reduced by refunding a portion of it through the issuance of the Bonds.

(3) The issuance of the Bonds is an economical method of financing the costs of acquiring or undertaking the capital projects described in section 5 of this act and of refunding a portion of outstanding debt and is in the public interest.

Sec. 4. Bond authorization.

(a) The District is authorized to incur indebtedness by issuing the Bonds pursuant to sections 461 through 467 of the Home Rule Act to provide for any of the following:

- (1) The payment of the cost of acquiring or undertaking capital projects described in section 5 for general governmental and enterprise purposes;
- (2) The refunding of outstanding debt; and
- (3) The payment of the costs and expenses of issuing and delivering the Bonds, including capitalized interest, underwriting, legal, accounting, financial advisory, bond insurance and other credit enhancements, and printing costs and expenses.

(b) The Mayor is authorized to pay from the proceeds of the Bonds and, to the extent necessary to establish or continue the tax exempt status of any of the Bonds, from other District funds, the costs and expenses referred to in section (a)(3) of this section.

Sec. 5. Capital projects.

(a) Bonds may be issued pursuant to this act to provide for the payment of the cost of acquiring or undertaking the following capital projects of the District:

<u>Project</u>	<u>Description of Facilities and Equipment to be Acquired or Undertaken</u>	<u>Maximum Total Principal Amount to be Financed Through Bonds</u>
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AS	Administrative Services Facilities and Equipment	\$1,383,000
BN	Emergency Preparedness Equipment	1,200,000
EN	Business and Economic Development Facilities	32,055,000
DB	Housing and Community Development Facilities and Equipment	96,027,000
FB	Fire and Public Safety Facilities and Equipment	7,459,000
FA	Police and Public Safety Facilities and Equipment	2,674,000
FL	Correctional and Public Safety Facilities and Equipment	32,638,000
FN	Courts and Criminal Justice Facilities and Equipment	4,566,000
GA	Public School and Public Education Facilities and Equipment	88,535,000
GF	Public Higher Education Facilities and Equipment	4,781,000
CE	Library and Public Education Facilities and Equipment	539,000
JA	Human Services Facilities and Equipment	37,272,000
BX	Arts and Humanities Facilities and Equipment	750,000
HA	Public Recreation Facilities and Equipment	21,614,000
BY	Facilities for the Aging	2,785,000
CC	Governmental and Public Works Facilities and Equipment	14,288,000
KA	Transportation and Public Works Facilities and Equipment	52,746,000
LA	Environmental Service and Public	15,973,000

	Works Facilities and Equipment	
LA (Ent.)	Water-Sewer Enterprise Facilities and Equipment	60,508,000
KE	Mass Transit Facilities and Equipment	23,021,000
ER	Convention Center Facilities and Equipment	753,000
	Total	\$501,567,000

(b) The maximum principal amount of indebtedness that may be incurred through the issuance of Bonds for each capital project, exclusive of the costs and expenses of issuing and delivering the Bonds and capitalized interest, may not exceed the total amount stated in subsection (a) of this section for each capital project.

(c) The capital projects listed in subsection (a) of this section have been authorized by An Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City, approved June 6, 1958 (72 Stat. 183; D.C. Code, sec. 9-219).

(d) Capital project KA has also been authorized by the District of Columbia Public Works Act of 1954, approved May 18, 1954 (68 Stat. 110; D.C. Code, sec. 7-132) and section 3(g) of the District of Columbia Motor Vehicle Parking

Facilities Act of 1942, approved August 20, 1958 (72 Stat. 686; D.C. Code, sec. 40-805(7)). Capital project LA (Ent.) has also been authorized by An Act authorizing the laying of water mains and service sewers in the District of Columbia, the levying of assessments therefore, and for other purposes, approved April 22, 1904 (33 Stat. 244; D.C. Code, sec. 43-1512). Capital project KE has also been authorized by the National Capital Transportation Act of 1969, approved December 9, 1969 (83 Stat. 321; D.C. Code, sec. 1-2454).

(e) The maximum total principal amount to be financed through Bonds provided for the capital projects listed in subsection (a) of this section includes amounts approved and appropriated by Congress in capital budgets through and including the budget for the fiscal year ending September 30, 1987.

Sec. 6. Bond details.

(a) 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 Bonds, including, but not limited to, determinations of:

(1) Whether the Bonds are to be issued in 1 or more series and the principal amount of each series.

(2) For each series of the Bonds, the date of issuance, sale, and delivery of the Bonds, the maturity date

or dates of the Bonds (provided that the maximum maturity of any Bond shall not exceed 30 years from the date of issuance), the dates for payment of principal and interest on the Bonds, and the amount of each installment or sinking fund payment of principal (provided that the principal installments on each series of the Bonds shall begin no later than 3 years from the date of issuance of the series);

(3) The rate or rates of interest or the method for determining the rate or rates of interest on the Bonds, provided that the interest rate or rates borne by the Bonds of any series shall not exceed 15% per year calculated on a 360-day year, 30-day month basis;

(4) For each series of the Bonds, the maximum debt service payable in any fiscal year provided that the amount so determined for any series shall not exceed the amount permitted under section 11(4);

(5) The designation of the Bonds and their denominations, lettering, and numbering or the manner of determining the designations and denominations, lettering, and numbering.

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

(7) The final form, content, and terms of the

Bonds, including a determination that the Bonds may be issued in book entry form;

(8) The designation of a registrar, if other than the District, for any series of the Bonds, 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;

(9) The designation of paying agents for any series of the Bonds, 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; and

(10) Provisions for the registration, transfer, and exchange of the Bonds and the replacement of mutilated, lost, stolen, or destroyed Bonds.

(b) The Bonds shall be executed in the name of the District and on its behalf by the manual or facsimile signature of the Mayor and by the manual or facsimile signature of an authorized delegate. To the extent required by the Home Rule Act, at least 1 signature of an authorized delegate 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 Bonds.

(c) The registrar shall manually authenticate each Bond and maintain the books of registration for the payment of the principal of and interest on the Bonds and perform other ministerial responsibilities as specifically provided in its appointment as registrar.

Sec. 7. Sale of the Bonds.

(a) The Bonds of any series may be sold by the Mayor pursuant to the provisions of section 466 of the Home Rule Act, provided that the Bonds of any series shall be sold by competitive bid, or by negotiated sales agreement.

(b) The Mayor or an authorized delegate may execute, in relation to each sale of the Bonds, offering documents on behalf of the District and may authorize the documents' distribution in relation to the Bonds being sold.

(c) The Mayor or an authorized delegate shall take actions and execute and deliver agreements, documents, and instruments as required by or incidental to:

(1) The issuance of the Bonds;

(2) If and to the extent the Bonds are issued on a tax exempt basis, the establishment or preservation of the exemption of the interest on the Bonds from federal income taxation; or

(3) The performance of any covenants contained in this act or any purchase contract for the Bonds;

including any amendments of any of these agreements, documents, instruments, or purchase contracts.

(d) The Bonds shall not be issued until the Mayor receives an approving opinion from bond counsel as to the validity of the Bonds and, if and to the extent the Bonds are issued on a tax-exempt basis, the exemption of the interest on the Bonds from federal and District income taxation.

(e) The Mayor shall execute a bond issuance certificate evidencing the determinations made and other actions taken by the Mayor for each series of the Bonds issued and shall designate in the bond issuance certificate the amount of the Bonds to be used to finance enterprise capital projects or to refinance outstanding debt incurred for enterprise purposes and the amount of principal and interest on that amount of Bonds to be paid through sinking fund payments, redemptions or otherwise, in each fiscal year. A copy of the bond issuance certificate shall be filed with the Secretary to the Council not more than 3 days after the delivery of the Bonds covered by the bond issuance certificate. Any bond issuance certificate shall be conclusive evidence of the actions or determinations taken or made as stated in the bond issuance certificate.

Sec. 8. 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 Bonds as they become due and payable through required sinking fund payments, redemptions, or otherwise.

(b) There are provided and approved for expenditure sums as may be necessary for making payments of the principal of and interest on the Bonds coming due for any reason in the fiscal year ending September 30, 1987, and the provisions of the Fiscal Year 1987 Budget Request Act, signed by the Mayor on March 27, 1986 (Act 6-148; 33 DCR 2151), relating to repayment of loans and interest, are amended and supplemented accordingly by this section, as contemplated in section 483 of the Home Rule Act.

(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 each annual budget for a fiscal year of the District sufficient funds to pay the principal of and interest on the Bonds becoming due and payable for any reason 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 actions as may be necessary or appropriate to ensure that the principal of and interest on the Bonds are paid when due for any reason, including the payment of principal and interest from funds not otherwise legally committed.

(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 Bonds, the annual federal payment appropriated for that fiscal year, to the extent available, shall first be used to pay principal of and interest on the Bonds.

(f) The Bonds 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 Bonds, and may perform other ministerial responsibilities as specifically provided in its appointment as paying agent.

Sec. 9. Special tax; establishment of rates; collection.

(a) The Council determines that a special tax is necessary in conjunction with the authorization and issuance of the Bonds and any Additional Bonds. Pursuant to section 481 of the Home Rule Act and notwithstanding the provisions of An Act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1923, and for other purposes, approved June 29, 1922 (42 Stat. 668; D.C. Code, sec. 47-501 et seq.), there is levied by this section for each real property tax year in which Bonds or Additional

Bonds are outstanding, a special tax on the real property in the District subject to taxation, in amounts that will be sufficient to pay the principal of and interest on the Bonds and Additional Bonds coming due in each year. This special tax is levied without limitation as to rate or amount, on all classes of real property subject to taxation in the District. The special tax shall be collected and apportioned among classes of real property in the same manner as other District real property taxes and, when collected, shall be set aside in a special tax fund maintained separate from other funds of the District. When deposited, the moneys in the fund and all investment income or earnings on these moneys shall be irrevocably dedicated and pledged to the payment of principal and interest on the Bonds and any Additional Bonds.

(b) The District irrevocably pledges for and on behalf of the owners of the Bonds as further security for the due and punctual payment of the principal and redemption price of, and interest on, the Bonds as they shall become due and payable for any reason, all of its right, title, and interest now owned or later acquired in and to the revenue from the special tax levied by this section. This pledge creates and grants a security interest as contemplated in section 467 of the Home Rule Act, subject to the terms, conditions, and limitations in this act, including the

provisions of subsections (e) and (i) of this section and the provisions setting forth conditions and limitations applicable to the issuance of Additional Bonds secured, equally and ratably with the Bonds, by a pledge of and security interest in the special tax revenue.

(c) The security interest in special tax revenue created by this section shall be valid, binding, and perfected from the time of the delivery of the first Bonds issued pursuant to this act with or without the physical delivery of any special tax revenue and with or without any further action. The security interest shall be valid, binding, and perfected whether or not any statement, document, or instrument relating to the security interest is recorded or filed. The pledge and lien created by the security interest shall be valid, binding, and perfected with respect to any individual or legal entity having claims against the District, whether or not the individual or legal entity has notice of the pledge and lien.

(d) If the District pays or makes provisions to pay to the owners of all Bonds and Additional Bonds the principal or redemption price, if any, and the interest due or to become due, at the time and in the manner stipulated, then the security interest in special tax revenue created under this section shall be terminated.

(e)(1) In any real property tax year, if the amount

expected to be on deposit in the special tax fund on the first day of the next succeeding real property tax year exceeds the greater of (A) the earnings on the special tax fund for the current real property tax year or (B) one-twelfth of the amount the Mayor certifies as required to pay the principal of and interest on the Bonds and any Additional Bonds coming due in the next succeeding real property tax year, the Mayor shall either cause: (A) the transfer of that excess amount to the general fund of the District or (B) the use of that excess amount to purchase for cancellation outstanding debt. That excess amount shall be released from the lien on and security interest in the special tax revenue created under this section.

(2) On or before the date upon which the Mayor is required by law to submit to the Council proposed real property tax rates for a real property tax year of the District (but not later than the first day of that real property tax year), the Mayor shall certify to the Council the amount required in that real property tax year to pay the principal of and interest on the Bonds and any Additional Bonds coming due for any reason during that real property tax year. The amount certified, less any funds then on deposit in the special tax fund after application of subsection (e)(1) of this section, shall be called the special tax requirement.

(f) On or before the date upon which the Mayor is required by law to submit to the Council proposed tax rates for a real property tax year of the District (but in no event later than the first day of that real property tax year), the Mayor shall calculate and submit to the Council proposed real property special tax rates to be applied during the real property tax year to all real property subject to taxation in the District. The real property special tax rates shall be calculated to yield the special tax requirement, as that amount is certified by the Mayor pursuant to subsection (e) of this section.

(g) The Council, in the same manner as provided for the establishment of other real property tax rates, shall by act establish real property special tax rates for the real property tax year calculated to yield the special tax requirement, as that amount is certified by the Mayor pursuant to subsection (e) of this section. If the Council fails to enact real property special tax rates for the real property tax year within the time provided by law, the real property special tax rates submitted by the Mayor pursuant to subsection (f) of this section shall be the real property special tax rates to be applied during that real property tax year.

(h) Real property special taxes shall be collected in the same manner as other District real property taxes, and

the Mayor shall promptly deposit into the special tax fund all real property special taxes collected. If the law of the District relating to the levy or collection of real property taxes or the calculation or establishment of real property tax rates is changed in a manner that renders any of the provisions of subsections (e) through (h) of this section incapable of performance in accordance with their respective terms, the Mayor and the Council shall take actions that result in the collection of real property special taxes, in the same manner as other District real property taxes, in the amounts required by this section.

(1) The District and the Mayor reserve the right to satisfy all or a portion of the special tax requirement by setting aside and depositing into the special tax fund at any time any funds of the District not otherwise legally committed, which shall irrevocably dedicate and pledge those deposits to the payment of principal of and interest on the Bonds and Additional Bonds then outstanding. To the extent to which all or a portion of the special tax requirement is satisfied by those deposits, then an equal amount of real property special tax revenue subsequently collected shall be released from the lien on and security interest in the special tax revenue created under this section and shall be paid to reimburse the general fund or other fund of the District from which the other funds were received.

(j) The Mayor shall provide for the payment of the principal of and interest on the Bonds, as they may become due and payable for any reason, by transferring funds on deposit in the special tax fund to the paying agent to the extent required pursuant to the bond issuance certificate provided for in section 7.

Sec. 10. Payment to the general fund for Bonds issued for enterprise purposes.

(a) The Council determines that Bonds issued to finance enterprise capital projects or to refinance outstanding debt incurred for enterprise purposes shall, for accounting and financial reporting purposes, be recorded as self-supporting debt of the appropriate enterprise fund of the District.

(b) Any enterprise fund of the District in respect of which Bonds have been issued shall, until the principal amount of funds from the Bonds issued for enterprise purposes and the accrued interest on the funds has been fully repaid, pay to the general fund of the District in each fiscal year an amount equal to the amount of principal and interest on the Bonds so specified in the bond issuance certificate for each fiscal year, and the obligation to pay the amounts shall continue until satisfied in full.

(c) Nothing in this section creates a pledge of or lien on any revenues or other assets of any enterprise fund

of the District.

Sec. 11. General covenants.

The following covenants are made by the District in connection with the authorization and issuance of the Bonds:

(1) Pursuant to section 603(c) of the Home Rule Act, the Council shall not approve any budget that would result in expenditures being made by the District, during any fiscal year, in excess of all resources which the Mayor estimates will be available from all funds available to the District for that fiscal year. The Mayor shall not forward to the President for submission to Congress a budget that is not balanced according to the provisions of section 603(c) of the Home Rule Act.

(2) The District will apply any excess of revenues over expenditures or expenses in any fund for any fiscal year to the reduction of any accumulated deficit previously existing in that fund.

(3) The District shall prepare its annual financial statements in accordance with generally accepted accounting principles for state and local governments and cause its annual financial statements to be audited by an independent accountant.

(4) The District will not issue any general obligation bonds, other than bonds to refund any outstanding indebtedness, or incur any indebtedness to the Treasury of

the United States for capital projects in an amount that would cause the amount of debt service payable in any fiscal year on all the indebtedness, including all outstanding bonds and loans, to exceed any limitations set forth in the Home Rule Act at the time the additional bonds or indebtedness are issued or incurred.

(5) The District shall maintain the capital projects fund, separate from other funds of the District, into which it will deposit the proceeds of any Bonds, other than Bonds issued to refund outstanding debt, net of capitalized interest and accrued interest, if any, and will expend the proceeds only to finance capital projects and incidental costs as defined in section 103(8) of the Home Rule Act. Interest or other investment earnings of proceeds in the capital projects fund shall be credited ratably to the general fund and any enterprise fund of the District for which Bonds were issued.

(6) Notwithstanding any other provision of law, the Mayor shall take actions necessary to requisition and receive, not later than the date for payment of any principal or interest on the Bonds, an advance of moneys pursuant to title VI of the District of Columbia Revenue Act of 1939, approved July 26, 1939 (53 Stat. 1118; D.C. Code, sec. 47-3401), the advance to be in an amount necessary and sufficient to enable the District to meet its general

expenses through September 30 of the then current fiscal year, including payment when due of all principal of and interest on the Bonds coming due in that fiscal year.

Sec. 12. Events of Default.

(a) Each of the following events constitutes an event of default:

(1) Failure to pay the principal of the Bonds when the principal becomes due and payable at maturity, upon redemption, or otherwise;

(2) Failure to pay an installment of interest on the Bonds upon the day when the interest becomes due; and

(3) Failure by the District to observe and perform any covenant, condition, agreement, or provision, other than as specified in paragraphs (1) and (2) of this subsection, contained in the Bonds or in this act, but only if the failure continues for a period of 90 days after transmittal to the District of written notice of failure.

(b) A Bond owner who claims an event of default under subsection (a)(3) shall provide to the Registrar written notice specifying the failure and requesting that it be remedied. Upon verifying that the written notice has been transmitted by a bona fide Bond owner, the Registrar, if other than the District, shall transmit the written notice to the District. If the Registrar is the District, the written notice shall be delivered directly to the Mayor.

Transmittal to the District of the written notice required by subsection (a)(3) may not be accomplished in any manner other than that set forth in this subsection.

Sec. 13. Remedies.

(a) Upon the occurrence and continuance of any event of default, any Bond owner may:

(1) By mandamus or other suit, action, or proceeding at law or in equity, enforce all rights of the bond owner and require the District to carry out any agreements with or for the benefit of the Bond owner and to perform its duties under this act;

(2) Bring suit upon the Bonds; and

(3) By action or suit at law or in equity, enjoin any acts that may be unlawful or in violation of the rights of the Bond owner.

(b) If any proceeding initiated by any Bond owner to enforce any right under this act is discontinued or abandoned for any reason, the District and the Bond owner shall be restored to their former positions and rights, and all rights, remedies, and powers of each of the parties shall continue as though the proceeding had not been initiated.

Sec. 14. District officials.

(a) The elected or appointed officials, officers, employees, or agents of the District shall not be liable

personally for the payment of the Bonds or be subject to any personal liability by reason of the issuance of the Bonds.

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

Sec. 15. Defeasance.

(a) The Bonds 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 Bonds if the Mayor:

(1) Deposits with an escrow agent, which shall be a bank, trust company, or national banking association with requisite trust powers, 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 Bond 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 on the Bonds to be defeased; and

(2) Delivers to the defeasance escrow agent an irrevocable letter of instruction to apply the moneys or investments to the payment of the principal of and interest

on the Bonds as they become due and payable.

(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 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. 16. Additional debt and other obligations.

The District reserves the right at any time to borrow money or enter into other obligations to the full extent permitted by law, to secure the borrowings or obligations by the pledge of its full faith and credit, to secure the borrowings or obligations by any other security and pledges of funds as may be authorized by law, and to issue bonds, including Additional Bonds, notes, or other instruments, to evidence the borrowings or obligations. Any act of the Council authorizing the issuance of Additional Bonds shall provide for an increase in the special tax requirement sufficient to pay principal of and interest on the Additional Bonds authorized.

Sec. 17. Arbitrage.

If and to the extent the Bonds are issued on a tax-exempt basis, 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 Bonds to be subject to federal income tax.

Sec. 18. Contract.

This act shall constitute a contract between the District and the owners of the Bonds 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. 19. Authorized delegation of authority.

To the extent permitted by District and federal laws, the Mayor may delegate to any authorized delegate the performance of any act authorized to be performed by the Mayor under this act.

Sec. 20. Maintenance of documents.

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

Sec. 21. Information reporting.

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

(b) The Mayor shall notify the Council, within 30 days, of any action taken under sections 8(b) and 8(d).

(c) Prior to Council action on any resolution approving the issuance of Bonds pursuant to this act, the Mayor shall notify the Council whenever the Bonds are intended to be issued on a taxable basis.


Sec. 22. Severability.

As provided in the General Rule of Severability Adoption Act of 1983, effective March 4, 1984 (D.C. Law 5-56; D.C. Code, sec. 47-601), 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.

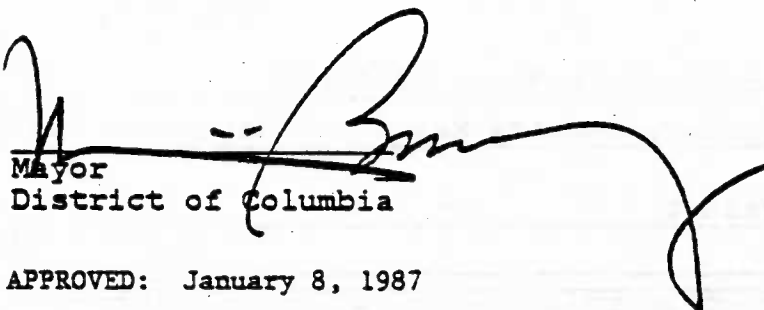
Sec. 23. Effective Date.

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 District of Columbia Self-Government and Governmental Reorganization Act,

approved December 24, 1973 (87 Stat. 813; D.C. Code, sec.
1-233(c)(1)).



Chairman
Council of the District of Columbia



Mayor
District of Columbia

APPROVED: January 8, 1987



COUNCIL OF THE DISTRICT OF COLUMBIA
Council Period Six — Second Session

RECORD OF OFFICIAL COUNCIL VOTE

DOCKET NO: B6-496

☐ Item on Consent Calendar

☒ ACTION & DATE: Adopted First Reading, 11-25-86

☒ VOICE VOTE: By Majority, Member Ray voted present

Recorded vote on request

Absent: Schwartz, Spaulding and Crawford

☐ ROLL CALL VOTE: — RESULT () () () ()

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHMN. CLARKE					MASON					SPAULDING				
SMITH, JR.					RAY					WILSON				
CRAWFORD					ROLARK					WINTER				
JARVIS					SCHWARTZ									
KANE					SHACKLETON									

X — Indicates Vote

A.B. — Absent

N.V. — Present, not voting

CERTIFICATION RECORD

Russell Smith
Secretary to the Council

12/29/86
Date

☐ Item on Consent Calendar

☒ ACTION & DATE: Adopted Final Reading, 12-16-86

☒ VOICE VOTE: By Majority, Members Mason and Ray voted present

Recorded vote on request

Absent: all present

☐ ROLL CALL VOTE: — RESULT () () () ()

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHMN. CLARKE					MASON					SPAULDING				
SMITH, JR.					RAY					WILSON				
CRAWFORD					ROLARK					WINTER				
JARVIS					SCHWARTZ									
KANE					SHACKLETON									

X — Indicates Vote

A.B. — Absent

N.V. — Present, not voting

CERTIFICATION RECORD

Russell Smith
Secretary to the Council

12/29/86
Date

☐ Item on Consent Calendar

☐ ACTION & DATE: _____

☐ VOICE VOTE: _____

Recorded vote on request

Absent: _____

☐ ROLL CALL VOTE: — RESULT () () () ()

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHMN. CLARKE					MASON					SPAULDING				
SMITH, JR.					RAY					WILSON				
CRAWFORD					ROLARK					WINTER				
JARVIS					SCHWARTZ									
KANE					SHACKLETON									

X — Indicates Vote

A.B. — Absent

N.V. — Present, not voting

CERTIFICATION RECORD

Secretary to the Council

Date