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**HOUSE BILL NO. 1276**

Offered January 24, 2000

A BILL to authorize the issuance of Commonwealth of Virginia Transportation Revenue Bonds Series . . . , by and with the consent of the Governor pursuant to the provisions of Article 5 (§§ 33.1-267 through 33.1-295) of Chapter 3 of Title 33.1 of the Code of Virginia and as permitted by Article X, Section 9 (d) of the Constitution of Virginia, in a principal amount not exceeding \$60,000,000 to finance the cost of highway projects for Route 100 in Giles County and Route 114 in Montgomery County ("Projects") plus an amount for the issuance costs, reserve funds, and other financing expenses, for the purpose of providing funds, with any other available funds, for paying all or a portion of the costs incurred or to be incurred for the construction of the Projects; authorize the Commonwealth Transportation Board to fix the details of such bonds and provide for the sale of such bonds at public or private sale; and provide that the interest income from such bonds shall be exempt from all taxation within the Commonwealth.

Patrons—Shuler, Keister, Jackson, Tate and Woodrum

Referred to Committee on Finance

Whereas, funds are needed to pay for the highway projects on Route 100 in Giles County and Route 114 in Montgomery County; and

Whereas, Article X, Section 9 (d) of the Constitution of Virginia and §§ 33.1-267 through 33.1-295 of the Code of Virginia provide that the General Assembly may authorize the issuance of bonds secured by Transportation Trust Fund revenues under a payment agreement between the Commonwealth Transportation Board and Treasury Board, subject to appropriations by the General Assembly and payable first from (i) legally available revenues of the Transportation Trust Fund, and (ii) funds which appropriated annually by the General Assembly; and

Whereas, the projects described herein will be part of state highway systems operated and maintained by the Commonwealth Transportation Board; now, therefore,

**Be it enacted by the General Assembly of Virginia:**

**1. § 1. This act shall be known and may be cited as the Routes 100 and 114 Commonwealth of Virginia Transportation Revenue Bond Act of 2000.**

§ 2. The Commonwealth Transportation Board is hereby authorized, by and with the consent of the Governor, to issue, pursuant to the provisions of §§ 33.1-267 through 33.1-295 of the Code of Virginia, and pursuant to Section 9 (d), Article X of the Constitution of Virginia, at one time or from time to time, bonds of the Commonwealth to be designated "Commonwealth of Virginia Transportation Revenue Bonds, Series...", in an aggregate principal amount not exceeding \$60,000,000 to finance the cost of highway projects along Route 100 in Giles County and Route 114 in Montgomery County (the "Projects"), plus an amount for the issuance costs, reserve funds, and other financing expenses. The proceeds of such bonds shall be used exclusively for the purpose of providing funds, with any other available funds, for paying all costs incurred or to be incurred for construction of the Projects; such costs include environmental and engineering studies, completing and updating plans, rights-of-way acquisition, construction, and related improvements. The amount of financing for each of the two projects are as follows:

Project	Bond Amount
Route 100/Giles County	\$28,000,000
Route 114/Montgomery County	\$32,000,000
Total	\$60,000,000

The revenue bonds shall be issued by the Commonwealth Transportation Board and sold through the Treasury Board, which is hereby designated the sales and paying agent of the Commonwealth Transportation Board with respect to such bonds. The Treasury Board's duties shall include the approval of the terms and structure of the bonds.

§ 3. The proceeds of the bonds herein authorized shall expended by the Transportation Board for the

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HB1276

59 purpose for which they were issued.

60 The proceeds of the bonds may be used with any local, private or federal funds which may be made  
61 available for the Projects.

62 § 4. The bonds of each issue shall be dated, shall bear interest at such rate or rates, shall mature at  
63 such time or times not exceeding thirty years from their date or dates, as may be determined by the  
64 Commonwealth Transportation Board and may be made redeemable before their maturity or maturities  
65 at such price or prices and under such terms and conditions as may be fixed by the Commonwealth  
66 Transportation Board prior to the issuance of the bonds. The principal of and the interest on said bonds  
67 shall be made payable in lawful money of the United States of America. The Commonwealth  
68 Transportation Board shall determine the form of the bonds and fix the denomination or denominations  
69 of the bonds and the place or places of payment of the principal and interest thereof, which may be at  
70 the office of the State Treasurer or any bank or trust company within or without the Commonwealth.

71 All bonds issued under the provisions of this act shall have and are hereby declared to have, as  
72 between successive holders, all the qualities and incidents of negotiable instruments under the negotiable  
73 instruments law of the Commonwealth.

74 The bonds may be issued in coupon or in registered form or both, and in book entry form, as the  
75 Commonwealth Transportation Board may determine, and provision may be made for the registration of  
76 any coupon bonds as to principal alone and also as to both principal and interest, and for the  
77 reconversion of any bonds registered as to both principal and interest into coupon bonds.

78 Such bonds may be sold at public or private sale for such price or prices as the Commonwealth  
79 Transportation Board may determine to be in the best interest of the Commonwealth.

80 § 5. The bonds shall be signed on behalf of the Commonwealth by the Commonwealth Transportation  
81 Commissioner, or bear his facsimile signature, and shall bear the official seal of the Commonwealth  
82 Transportation Board and be attested by the Secretary of such Board. Any interest coupons shall bear a  
83 facsimile of the signature of the Commissioner. In the event that such bonds shall bear the facsimile  
84 signature of the Commissioner, the bonds shall be signed by such administrative assistant as the  
85 Commissioner shall determine or by any registrar/paying agent that may be designated by the Treasury  
86 Board. In case any officer whose signature, or facsimile signature, appears on any bonds or coupons  
87 ceases to be such officer before the delivery of the bonds, such signature, or facsimile signature, shall  
88 nevertheless be valid and sufficient for all purposes as if he had remained in office until such delivery.

89 § 6. All expenses incurred under this Act shall be paid from the proceeds of the bonds or from any  
90 available funds as the Commonwealth Transportation Board shall determine. Any advance made by the  
91 Board may be reimbursed from the Transportation Trust Fund or from the proceeds of the bonds or  
92 notes.

93 § 7. The Commonwealth Transportation Board is hereby authorized to borrow money through the  
94 execution and issuance of notes of the Commonwealth for the same, but only in the following  
95 circumstances and under the following conditions:

96 a. In anticipation of the sale of the bonds the issuance of which shall have been authorized by the  
97 Commonwealth Transportation Board and shall have been approved by the Governor, if the  
98 Commonwealth Transportation Board shall deem it advisable to postpone the issuance of the bonds.

99 b. For the renewal of any loan evidenced by notes herein authorized.

100 § 8. The proceeds, excluding any premium, of such bonds and of the bond anticipation notes herein  
101 authorized (except the proceeds of bonds the issuance of which has been anticipated by such bond  
102 anticipation notes) shall be placed by the State Treasurer in a special fund in the state treasury, or with  
103 his concurrence may be placed in accordance with § 33.1-283, and shall be disbursed only for the  
104 purpose for which such bonds and such bond anticipation notes shall be issued, provided that, proceeds  
105 derived from the sale of bonds or renewal herein authorized shall be first used in the payment of any  
106 bond anticipation notes that may have been issued in anticipation of the sale of such bonds and any  
107 renewals of such notes.

108 § 9. The Commonwealth Transportation Board is hereby authorized to receive any other funds that  
109 may be made available to pay the cost of the Projects and to make available such funds for the payment  
110 of the principal of and interest on the debt authorized hereby, and to enter into the appropriate  
111 agreements to allow for those funds to be paid into the state treasury to pay a part of the cost of the  
112 Projects or to pay the principal of and interest on such debt.

113 § 10. The Commonwealth Transportation Board, prior to the issuance of such bonds, may establish a  
114 minimum reserve fund requirement for the bonds.

115 § 11. The Commonwealth Transportation Board prior to the issuance of the bonds shall establish a  
116 sinking fund for the payment of the bonds to the credit of which fund there shall be deposited such  
117 amounts as are required to pay debt service on the bonds when due and payable for such fiscal years  
118 from (i) legally available revenues of the Transportation Trust Fund, and (ii) funds annually  
119 appropriated by the General Assembly

120 § 12. Bond proceeds and moneys in any reserve funds and sinking funds shall be invested by the

121 *State Treasurer in accordance with the provisions of general law relating to the investment of such*  
122 *funds belonging to or in the control of the Commonwealth, or with the State Treasurer's concurrence by*  
123 *a trustee in accordance with § 33.1-283.*

124 *§ 13. The interest income from, but not any profit made on the sale of the bonds, notes and coupons,*  
125 *if any, issued under the provisions of this act, shall at all times be free and exempt from taxation by the*  
126 *Commonwealth and by any municipality, county, or other political subdivision thereof.*

127 *§ 14. All bonds and notes issued under the provisions of this act are hereby made securities in which*  
128 *all public officers and bodies of the Commonwealth, all counties, cities, and towns and municipal*  
129 *subdivisions, all insurance companies and associations, all savings banks and savings institutions,*  
130 *including savings and loan associations, administrators, guardians, executors, trustees, and other*  
131 *fiduciaries in the Commonwealth may properly and legally invest funds under their control.*

132 *§ 15. If any part of this act or the application thereof to any person or circumstance is held invalid*  
133 *by a court of competent jurisdiction, such holding shall not affect the validity of the remainder of the*  
134 *provisions or applications of the act which can be given effect without the invalid provision or*  
135 *application, and to this end the provisions of this act are severable.*