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HOUSE BILL NO. 529**AMENDMENT IN THE NATURE OF A SUBSTITUTE**

(Proposed by the House Committee on Appropriations)

(Patron Prior to Substitute—Delegate Diamonstein)

House Amendments in [] — February 17, 2000

A *BILL* authorizing the issuance of Commonwealth of Virginia Higher Education and Related Educational Facilities Bonds in an amount not exceeding \$297,500,000 for the purpose of providing funds for paying, together with any other available funds, the cost of capital projects for acquiring, constructing, restoring, repairing, improving, [renovating] and refurbishing the physical plants, including incidental equipment, of higher education and related educational facilities; authorizing the Treasury Board, by and with the consent of the Governor, to fix the details of such bonds and to provide for the sale of the bonds; authorizing the Treasury Board, by and with the consent of the Governor, to borrow money in anticipation of the issuance of the bonds; authorizing the issuance of refunding bonds, by and with the consent of the Governor; providing for the pledge of the full faith and credit of the Commonwealth for the payment of such obligations; providing that interest on such obligations shall be exempt from all taxation by the Commonwealth and any political subdivision thereof; and providing that this act shall not become effective and that no bonds shall be issued hereunder unless this act is approved by a majority of the qualified voters of the Commonwealth voting thereon at an election, as required by Article X, Section 9 (b) of the Constitution of Virginia.

Be it enacted by the General Assembly of Virginia:

1. § 1. **Title.** This act shall be known and may be cited as the "Commonwealth of Virginia Higher Education and Related Facilities Bond Act of 2000."

§ 2. **Authorization of Bonds and BANs.** Subject to a favorable vote of a majority of the qualified voters voting on this act at the November 7, 2000, general election as hereinafter provided, the Treasury Board is hereby authorized, by and with the consent of the Governor, to sell and issue, at one time or from time to time, bonds of the Commonwealth, to be designated "Commonwealth of Virginia Higher Education and Related Facilities Bonds, Series...", in an aggregate principal amount not exceeding \$297,500,000. The Treasury Board is further authorized, by and with the consent of the Governor, to borrow money in anticipation of the issuance of the bonds by the issuance of bond anticipation notes (BANs), including BANs as commercial paper.

§ 3. **Purpose; Projects.** The proceeds of the bonds and BANs, excluding amounts needed to pay issuance costs and other financing expenses, shall be used as provided in § 4 hereof for capital projects for acquiring, constructing, restoring, repairing, improving, renovating, and refurbishing the physical plants, including incidental equipment, of higher education and related educational facilities as follows:

Project

2000-2002

Christopher Newport University

New Construction: Criminal Justice Academy	\$1,800,000
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New Construction: Performing Arts Center	\$10,000,000
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College of William and Mary

Improvements: Millington Hall Renovations	\$16,000,000
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George Mason University

New Construction: Prince William Campus, Academic III	\$15,300,000
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Improvements: Renovation of Thompson/West Academic Buildings	\$9,000,000
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New Construction: Academic IV	\$5,000,000
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James Madison University

New Construction: College of Integrated Science	
and Technology, Phase III	\$26,000,000

Longwood College

ENGROSSED

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58	<i>New Construction: Science Building</i>	<i>\$14,200,000</i>
59		
60	<i>Improvements: Jarman Auditorium Renovation</i>	<i>\$5,800,000</i>
61		
62	Mary Washington College	
63	<i>Improvements: Lee Hall Renovation</i>	<i>\$6,700,000</i>
64		
65	Norfolk State University	
66	<i>Improvements: Teacher Education Building Renovations</i>	<i>\$3,500,000</i>
67		
68	Old Dominion University	
69	<i>New Construction: Engineering and Computer Science Facility</i>	<i>\$13,000,000</i>
70		
71	Radford University	
72	<i>Improvements: Peters Hall Renovation</i>	<i>\$10,000,000</i>
73		
74	University of Virginia	
75	<i>Improvements: Campbell Hall Chiller</i>	<i>\$2,300,000</i>
76		
77	<i>Improvements: Renovate Fayerweather Hall/Studio Art Bldg.</i>	<i>\$12,000,000</i>
78		
79	University of Virginia at Wise	
80	<i>Improvements: Drama Building Renovations</i>	<i>\$6,300,000</i>
81		
82	Virginia Commonwealth University	
83	<i>Improvements: Classrooms, Libraries & Lecture Hall Renovations</i>	<i>\$9,000,000</i>
84		
85	<i>Acquisition: Biotechnology Research Park</i>	<i>\$5,000,000</i>
86		
87	Virginia Community College System	
88	<i>New Construction: Academic Bldg., VA Beach Campus, Tidewater</i>	<i>\$14,000,000</i>
89		
90	<i>New Construction: Parham Road Campus Phase IV,</i>	
91		
92	<i>J. Sargeant Reynolds</i>	<i>\$12,000,000</i>
93		
94	<i>New Construction: Learning Resource Bldg., Southwest Virginia</i>	<i>\$8,000,000</i>
95		
96	<i>New Construction: Science Lab, Lord Fairfax</i>	<i>\$7,900,000</i>
97		
98	<i>New Construction: Performing Arts Center, Blue Ridge</i>	<i>\$5,000,000</i>
99		
100	<i>New Construction: Manufacturing Technology Bldg.,</i>	
101		
102	<i>Central Virginia</i>	<i>\$4,500,000</i>
103		
104	<i>Improvements: Renovation of Instructional Labs, John Tyler</i>	<i>\$4,000,000</i>
105		
106	<i>New Construction: Loudoun Campus Phase II-A, Northern Virginia</i>	<i>\$3,800,000</i>
107		
108	<i>New Construction: Webber Hall Addition, Virginia Western</i>	<i>\$3,000,000</i>
109		
110	<i>New Construction: Ft. Pickett Heavy Equipment Program,</i>	
111		
112	<i>Southside</i>	<i>\$2,000,000</i>
113		
114	<i>Improvements: Instructional Renovations, Wytheville</i>	<i>\$1,300,000</i>

115		
116	Improvements: Learning Resource Center Renovations,	
117		
118	Patrick Henry	\$1,200,000
119		
120	New Construction: Fredericksburg Campus Phase II, Germanna	\$6,600,000
121		
122	Virginia Cooperative Extension and Research Station	
123	New Construction: Livestock Arena	\$1,900,000
124		
125	Virginia Institute of Marine Science	
126	Improvements: Brooke and Davis Hall Renovations	\$10,000,000
127		
128	Virginia Military Institute	
129	Improvements: Nichols Engineering Hall Renovations	\$16,500,000
130		
131	Virginia Polytechnic Institute and State University	
132	Improvements: Upper Quad Conversion, Phase II	\$15,000,000
133		
134	Virginia State University	
135	Improvements: Renovate Daniels Gymnasium	\$9,900,000
136		
137	Total	
138		
139	Fund Sources: Debt Service	\$297,500,000
140		

141 The General Assembly hereby finds and determines that the estimated useful life of the capital
 142 projects listed above is in excess of twenty-five years.

143 Upon the request of the governing board of an educational institution, the Governor or the
 144 Governor's designee may increase or decrease the allocation to any capital project for such institution,
 145 within the total amount allocated to capital projects for such institution. To the extent that the cost of
 146 any capital project is less than the amount allocated to such capital project, the Governor or the
 147 Governor's designee may increase the amount allocated to any other capital project included herein. No
 148 allocation to a capital project may be increased until it has been demonstrated to the satisfaction of the
 149 Governor or the Governor's designee that (i) the cost of the capital project has been reduced to the
 150 extent reasonable, (ii) the capital project has not been expanded or enhanced beyond that originally
 151 approved, and (iii) the capital project is suitable and adequate for the scope originally intended. No
 152 increase in the amount allocated to any capital project shall constitute an authorization for the issuance
 153 of bonds in an amount in excess of the aggregate amount authorized hereunder.

154 § 4. **Application of Proceeds.** Proceeds (including any premium) of the bonds and any BANs (except
 155 the proceeds of (i) bonds the issuance of which has been anticipated by BANs, (ii) refunding bonds, and
 156 (iii) refunding BANs) shall be deposited by the State Treasurer in a special capital outlay fund in the
 157 state treasury and shall be disbursed only for the purpose for which the bonds or any BANs have been
 158 issued. In the event that the proceeds of the bonds or BANs exceed the cost of the projects specified in
 159 § 3, the Treasury Board shall cause such excess proceeds to be applied to the retirement of the bonds
 160 or BANs. The proceeds of (i) bonds the issuance of which has been anticipated by BANs, (ii) refunding
 161 bonds, and (iii) refunding BANs, and any funds provided by the General Assembly, or available from
 162 any other source, for the purpose, shall be used to pay such BANs, refunded bonds and refunded BANs.

163 The proceeds of the bonds and any refunding bonds or BANs are hereby appropriated for
 164 disbursement from the state treasury for the current biennium pursuant to Article X, Section 7 of the
 165 Constitution of Virginia, and § 2.1-224 of the Code of Virginia. The general conditions and general
 166 provisions of the general appropriation act enacted pursuant to Chapter 27 (§ 2.1-387 et seq.) of Title
 167 2.1 of the Code of Virginia, in effect from time to time, and all of the terms and conditions contained
 168 therein shall apply to the capital projects listed in § 3. The Governor or his designee is hereby
 169 authorized to increase the appropriation for any project listed in § 3 by the amount of the proceeds of
 170 donations, gifts, grants or other nongeneral funds paid into the state treasury in excess of such
 171 appropriation.

172 § 5. **Details, sale of bonds and BANs.** The bonds shall be dated, shall mature at such time or times
 173 not exceeding twenty-five years from their date or dates and may be made redeemable before their

174 maturity or maturities at such price or prices or within such price parameters, all as may be determined
175 by the Treasury Board, by and with the consent of the Governor. The principal of the bonds shall be
176 amortized, by payment into a sinking fund or otherwise, in annual installments. The first annual
177 installment of principal of the bonds shall become due not later than one-tenth of the term of the bonds,
178 and no installment of principal of the bonds shall be more than twice the smallest previous installment.
179 Any such sinking fund shall not be appropriated for any other purpose.

180 The bonds shall be in such form, shall bear interest at such rate or rates, either at fixed rates or at
181 rates established by formula or other method, and may contain such other provisions, all as the
182 Treasury Board or the State Treasurer, when authorized by the Treasury Board, may determine. The
183 principal of and premium, if any, and interest on the bonds and BANs shall be payable in lawful money
184 of the United States of America. Bonds and BANs may be certificated or uncertificated as determined by
185 the Treasury Board. The Treasury Board may contract for services of such registrars, transfer agents,
186 or other authenticating agents as it deems appropriate to maintain a record of the persons entitled to
187 the bonds and BANs. Bonds and BANs may be issued under a system of book entry for recording the
188 ownership and transfer of ownership of rights to receive payments on the bonds and BANs. The
189 Treasury Board shall fix the denomination or denominations of the bonds and the place or places of
190 payment of principal, premium, if any, and interest, which may be at the office of the State Treasurer or
191 at any one or more banks or trust companies within or without the Commonwealth.

192 The Treasury Board may sell the bonds and any BANs in such manner, either by competitive
193 bidding, negotiated sale or private placement, and for such price as it may determine, by and with
194 consent of the Governor, to be in the interest of the Commonwealth.

195 In the discretion of the Treasury Board, bonds and BANs may be issued at one time or in part from
196 time to time and may be issued and sold at the same time with other general obligation bonds and bond
197 anticipation notes, respectively, of the Commonwealth authorized pursuant to Article X, Section 9 (a)
198 (3), (b), or (c) of the Constitution of Virginia, either as separate issues, as a combined issue designated
199 "Commonwealth of Virginia General Obligation Bonds (Bond Anticipation Notes), Series 20....," or as a
200 combination of both. The bonds and BANs shall be signed on behalf of the Commonwealth by the
201 Governor and by the State Treasurer, or shall bear their facsimile signatures, and shall bear the lesser
202 seal of the Commonwealth or a facsimile thereof. In the event that the bonds or BANs bear the facsimile
203 signature of the State Treasurer, they shall be signed by such administrative assistant as the State
204 Treasurer shall determine or by such registrar or paying agent as may be designated to sign them by
205 the Treasury Board. If any officer whose signature or facsimile signature shall appear on any bonds or
206 BANs shall cease to be such officer before the delivery, such signature or such facsimile shall
207 nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office
208 until such delivery, and any bond or BAN may bear the facsimile signature of, or may be signed by,
209 such persons as at the actual time of the execution are the proper officers to sign such bond or BAN
210 although, at the date of such bond or BAN, such persons may not have been such officers.

211 § 6. **Refunding.** The Treasury Board is hereby authorized, by and with the consent of the Governor,
212 to sell and issue, at one time or from time to time, refunding bonds and BANs of the Commonwealth to
213 refund any or all of the bonds and BANs, respectively, issued under this act or otherwise pursuant to
214 Article X, Section 9 (b) of the Constitution of Virginia. Refunding bonds and BANs may be issued in a
215 principal amount up to the amount necessary to pay at maturity or redeem the bonds and BANs to be
216 refunded and pay all issuance costs and other financing expenses of the refunding. Such refunding
217 bonds and BANs may be issued whether or not the bonds or BANs to be refunded are then subject to
218 redemption. Any escrow or trust fund established with the proceeds from the sale of refunding bonds
219 shall be irrevocably pledged to the payment of the bonds to be refunded, and shall be used solely to pay
220 such bonds or BANs at maturity or upon redemption or for the purchase of not less than all of the
221 bonds or BANs to be refunded. Any such escrow or trust fund shall constitute a special fund for the
222 payment of such refunded bonds or BANs, and such refunded bonds or BANs, to the extent of amounts,
223 including the maturity amounts of investments, set aside for the payment thereof in such escrow or trust
224 fund, shall not be included for the purposes of determining any limitations upon the amount of bonded
225 indebtedness of the Commonwealth that may be incurred pursuant to Article X, Section 9 (b) of the
226 Constitution of Virginia. The Treasury Board may, however, direct that the interest received from the
227 investment of the proceeds of the bonds or any BANs be transferred to the general fund of the state
228 treasury.

229 § 7. **Authorized Investments.** Pending the application of the proceeds of the bonds or BANs
230 (including refunding bonds and BANs) to the purpose for which they have been authorized and the
231 application of funds set aside for the purpose to the payment of bonds or BANs, they may be invested by
232 the State Treasurer in securities that are legal investments under the laws of the Commonwealth for
233 public funds and sinking funds, as the case may be. Whenever the State Treasurer receives interest from
234 the investment of the proceeds of bonds or any BANs, such interest shall become a part of the principal
235 of the bonds or any BANs and shall be used in the same manner as required for principal of the bonds

236 or BANs.

237 § 8. **Security for bonds and BANs.** The full faith and credit of the Commonwealth are hereby
 238 irrevocably pledged for the payment of the principal of and the interest on bonds and refunding bonds,
 239 and (unless the Treasury Board, by and with the consent of the Governor, shall provide otherwise)
 240 BANs issued under this act. The proceeds of (i) bonds the issuance of which have been anticipated by
 241 BANs, (ii) refunding bonds, and (iii) refunding BANs are hereby irrevocably pledged for the payment of
 242 principal of and interest and any premium on such bonds or BANs to be refunded thereby. In addition,
 243 the Treasury Board may pledge the full faith and credit of the Commonwealth for the payment of the
 244 principal of and interest on any BANs. If sufficient funds are not appropriated in the general
 245 appropriation act for any fiscal year for the timely payment of the principal of and the interest on the
 246 bonds, any refunding bonds or any BANs where the full faith and credit of the Commonwealth have
 247 been pledged, there shall be set apart by direction of the Governor, from the first general fund revenues
 248 received during such fiscal year and thereafter, a sum sufficient to pay such principal and interest.

249 § 9. **Expenses.** All expenses incurred under this act shall be paid from the proceeds of the bonds, or
 250 any refunding bonds or BANs, or from any other available funds as the Treasury Board shall determine.

251 § 10. **Exemption of interest from tax.** The bonds and BANs issued under the provisions of this act,
 252 their transfer, and the income therefrom, including any profit made on the sale thereof, shall at all times
 253 be exempt from taxation by the Commonwealth and by any political subdivision thereof. The interest on
 254 the bonds and any refunding bonds or BANs may be subject to inclusion in gross income of the holders
 255 thereof for federal income tax purposes.

256 § 11. **Referendum.** The question of the effectiveness of this act and the authorization of the bonds
 257 shall be submitted to the qualified voters of the Commonwealth at the general election to be held on
 258 Tuesday, November 7, 2000. Notice of the election shall be given, the ballots shall be prepared,
 259 distributed and voted, and the results thereof ascertained and certified, in accordance with Title 24.2 of
 260 the Code of Virginia, relating to special elections. The ballots to be used at the election shall pose the
 261 question in substantially the following form:

262 QUESTION: Shall Chapter. . ., Acts of the General Assembly of 2000, authorizing the issuance of
 263 general obligation bonds of the Commonwealth of Virginia in the maximum amount of \$ 297,500,000
 264 pursuant to Article X, Section 9 (b) of the Constitution of Virginia for capital projects for HIGHER
 265 EDUCATION AND RELATED FACILITIES, take effect?

266 The State Board of Elections shall cause to be sent to the electoral boards of each county and city
 267 sufficient copies of the full text of this act and the question contained herein for the officers of election
 268 to post in each polling place on election day. The State Board of Elections shall without delay make out
 269 and transmit to the Governor and to the Treasury Board an official copy of the report of the whole
 270 number of votes cast at the election for and against the act, certified by it.

271 If a majority of those voting thereon shall vote in favor of this act, this act shall take effect and the
 272 bonds may be issued as hereinabove provided. If a majority of those voting thereon shall vote against
 273 this act, this act shall not take effect and the bonds shall not be issued.

274 The expenses incurred in conducting this election shall be defrayed as in the case of election of
 275 members of the General Assembly.

276 § 12. **Severability.** The provisions of this act or the application thereof to any person or circumstance
 277 which are held invalid shall not affect the validity of other provisions or applications of this act which
 278 can be given effect without the invalid provisions or applications.