

2000 SESSION

HOUSE SUBSTITUTE

002740724

HOUSE BILL NO. 529

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Appropriations
on February 15, 2000)

(Patron Prior to Substitute—Delegate Diamonstein)

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, 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

New Construction: Performing Arts Center

\$10,000,000

College of William and Mary

Improvements: Millington Hall Renovations

\$16,000,000

George Mason University

New Construction: Prince William Campus, Academic III

\$15,300,000

Improvements: Renovation of Thompson/West Academic Buildings

\$9,000,000

New Construction: Academic IV

\$5,000,000

James Madison University

New Construction: College of Integrated Science

and Technology, Phase III

\$26,000,000

Longwood College

New Construction: Science Building

\$14,200,000

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

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

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

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

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

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

171 § 5. **Details, sale of bonds and BANs.** The bonds shall be dated, shall mature at such time or times
 172 not exceeding twenty-five years from their date or dates and may be made redeemable before their
 173 maturity or maturities at such price or prices or within such price parameters, all as may be determined

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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