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HOUSE BILL NO. 900

Offered January 24, 2000

A *BILL authorizing the issuance of Commonwealth of Virginia Cultural Facilities Bonds in an amount not exceeding \$90,100,000 for the purpose of financing, together with any other available funds, the cost of capital projects consisting of constructing, maintaining, restoring, repairing, improving, and refurbishing the physical plants including incidental equipment, of cultural, historic, artistic, and 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 the bonds 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.*

Patrons—Diamonstein, Barlow, Baskerville, Brink, Cranwell, Crittenden, Darner, Grayson, Hall, Hull, Melvin, Plum, Robinson, Scott, Shuler, Tate, Van Landingham, Watts and Woodrum; Senators: Howell, Lambert, Puckett and Whipple

Referred to Committee on Finance

Whereas, cultural, historic, artistic, and educational facilities are vital to the Commonwealth; and
 Whereas, the Commonwealth has many cultural, historic, artistic, and educational facilities; and
 Whereas, these cultural, historic, artistic, and educational facilities provide educational opportunities for the children and citizens of the Commonwealth; and
 Whereas, these cultural, historic, artistic, and educational facilities lack adequate funding; now, therefore

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 Cultural 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 Cultural Facilities Bonds, Series...", in an aggregate principal amount not exceeding \$90,100,000. 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 for constructing, maintaining, restoring, repairing, improving, and refurbishing the physical plants including incidental equipment for certain cultural, historic, artistic, and educational facilities listed as follows:*

Facility	2000-2002
Amazement Square in Lynchburg	\$1,000,000
Artisans Center of Virginia at Waynesboro	\$1,000,000
Barksdale Theatre	\$ 500,000
Black History Museum	\$1,000,000
Blue Ridge Zoological Park	\$ 500,000
Center in the Square	\$1,000,000

INTRODUCED

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60	<i>Chesapeake Arts Center</i>	\$1,000,000
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62	<i>Children's Museum of Richmond</i>	\$2,000,000
63		
64	<i>Children's Museum of Virginia</i>	\$3,000,000
65		
66	<i>Chrysler Museum</i>	\$1,000,000
67		
68	<i>Constant's Wharf, City of Suffolk</i>	\$2,000,000
69		
70	<i>Crispus Attucks Cultural Center</i>	\$1,000,000
71		
72	<i>Downing-Gross Cultural Center</i>	\$1,500,000
73		
74	<i>Fairfax County Museum of History and Technology</i>	\$1,000,000
75		
76	<i>Hampton History Museum</i>	\$2,000,000
77		
78	<i>Hampton University-Raytheon Aerospace Center</i>	\$1,000,000
79		
80	<i>Henricus Historical Park</i>	\$3,000,000
81		
82	<i>Holiday Lake 4-H Center</i>	\$1,000,000
83		
84	<i>Holocaust Museum</i>	\$1,000,000
85		
86	<i>John Marshall House</i>	\$ 600,000
87		
88	<i>Kenmore</i>	\$1,000,000
89		
90	<i>Lynchburg Academy of Music</i>	\$ 500,000
91		
92	<i>Maggie Walker Building</i>	\$5,000,000
93		
94	<i>Marine Observation Tower and Oriental Garden</i>	\$ 500,000
95		
96	<i>Mariners Museum</i>	\$2,000,000
97		
98	<i>Matthew Fontaine Maury Center</i>	\$1,000,000
99		
100	<i>Maymont Foundation</i>	\$2,000,000
101		
102	<i>Montpelier</i>	\$1,000,000
103		
104	<i>Morotock Center Foundation, Inc.</i>	\$2,000,000
105		
106	<i>National D-Day Museum Foundation, Inc.</i>	\$2,000,000
107		
108	<i>Peninsula Fine Arts Center</i>	\$2,000,000
109		
110	<i>Phoebus Art Center</i>	\$ 500,000
111		
112	<i>Poplar Forest</i>	\$1,000,000
113		
114	<i>Richmond Ballet</i>	\$1,000,000
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116	Richmond Historic Riverfront Canal Walk	\$1,000,000
117		
118	Robert E. Lee Memorial Foundation for Stratford Hall	\$1,000,000
119		
120	Schooner Virginia Project	\$3,500,000
121		
122	Science Museum of Virginia	\$4,000,000
123		
124	Science Museum of Western Virginia	\$1,000,000
125		
126	Theatre Four	\$1,000,000
127		
128	Virginia Air and Space Center	\$1,000,000
129		
130	Virginia Living Museum	\$4,000,000
131		
132	Virginia Marine Science Museum	\$2,000,000
133		
134	Virginia Museum of Fine Arts	\$5,000,000
135		
136	Virginia Museum of Natural History	\$10,000,000
137		
138	Virginia Museum of Transportation	\$ 500,000
139		
140	Virginia Quality Life	\$1,000,000
141		
142	Virginia Recreational Facilities Authority	\$1,000,000
143		
144	Virginia Zoological Park	\$3,000,000
145		
146	Warren County Courthouse	\$ 500,000
147		
148	Wolf Trap Foundation for the Performing Arts	\$2,000,000
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150	Woodrow Wilson Birthplace Foundation	\$1,000,000
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152		
153	Total	\$90,100,000
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155 *The General Assembly hereby finds and determines that the estimated useful life of the capital*
156 *projects listed above is in excess of twenty-five years.*

157 *Upon the request of the governing board of an institution listed above, the Governor or the*
158 *Governor's designee may increase or decrease the allocation to any capital project for such institution,*
159 *within the total amount allocated to the capital projects. To the extent that the cost of any capital*
160 *project is less than the amount allocated to such project, the Governor or the Governor's designee may*
161 *increase the amount allocated to any other capital project included herein. No allocation to a capital*
162 *project may be increased until it has been demonstrated to the satisfaction of the Governor or the*
163 *Governor's designee that (a) the cost of the capital project has been reduced to the extent reasonable,*
164 *(b) the capital project has not been expanded or enhanced beyond that originally approved, and (c) the*
165 *capital project is suitable and adequate for the scope originally intended. No increase in the amount*
166 *allocated to any capital project shall constitute an authorization for the issuance of bonds in an amount*
167 *in excess of the aggregate amount authorized hereunder.*

168 **§ 4. Application of Proceeds.** *Proceeds (including any premium) of the bonds and any BANs (except*
169 *the proceeds of (i) bonds the issuance of which has been anticipated by BANs, (ii) refunding bonds and*
170 *(iii) refunding BANs) shall be deposited by the State Treasurer in a special capital outlay fund in the*
171 *State Treasury and shall be disbursed only for the purpose for which the bonds or any BANs have been*
172 *issued. In the event that the proceeds of the bonds or BANs exceed the cost of the projects specified in*
173 *§ 3, the Treasury Board shall cause such excess proceeds to be applied to the retirement of the bonds*

174 or BANs. The proceeds of (i) bonds the issuance of which has been anticipated by BANs, (ii) refunding
175 bonds and (iii) refunding BANs, and any funds provided by the General Assembly or available from any
176 other source, for the purpose, shall be used to pay such BANs, refunded bonds and refunded BANs.

177 The proceeds of the bonds and any refunding bonds or BANs are hereby appropriated for
178 disbursement from the State Treasury for the current biennium pursuant to Article X, Section 7 of the
179 Constitution of Virginia and § 2.1-224 of the Code of Virginia. The general conditions and general
180 provisions of the general appropriation act enacted pursuant to Chapter 27 (§ 2.1-387 et seq.) of Title
181 2.1 of the Code of Virginia, in effect from time to time, and all of the terms and conditions contained
182 therein shall apply to the capital projects listed in § 3. The Governor or his designee is hereby
183 authorized to increase the appropriation for any project listed in § 3 by the amount of the proceeds of
184 donations, gifts, grants or other nongeneral funds paid into the state treasury in excess of such
185 appropriation.

186 § 5. **Details, sale of bonds and BANs.** The bonds shall be dated, shall mature at such time or times
187 not exceeding twenty-five years from their date or dates, and may be made redeemable before their
188 maturity or maturities at such price or prices or within such price parameters, all as may be determined
189 by the Treasury Board, by and with the consent of the Governor. The principal of the bonds shall be
190 amortized, by payment into a sinking fund or otherwise, in annual installments. The first annual
191 installment of principal of the bonds shall become due not later than one-tenth of the term of the bonds,
192 and no installment of principal of the bonds shall be more than twice the smallest previous installment.
193 Any such sinking fund shall not be appropriated for any other purpose.

194 The bonds shall be in such form, shall bear interest at such rate or rates, either at fixed rates or at
195 rates established by formula or other method, and may contain such other provisions, all as the
196 Treasury Board or the State Treasurer, when authorized by the Treasury Board, may determine. The
197 principal of and premium, if any, and interest on the bonds and BANs shall be payable in lawful money
198 of the United States of America. Bonds and BANs may be certificated or uncertificated as determined by
199 the Treasury Board. The Treasury Board may contract for services of such registrars, transfer agents,
200 or other authenticating agents as it deems appropriate to maintain a record of the persons entitled to
201 the bonds and BANs. Bonds and BANs may be issued under a system of book entry for recording the
202 ownership and transfer of ownership of rights to receive payments on the bonds and BANs. The
203 Treasury Board shall fix the denomination or denominations of the bonds and the place or places of
204 payment of principal, premium, if any, and interest, which may be at the office of the State Treasurer or
205 at any one or more banks or trust companies within or without the Commonwealth.

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

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

225 § 6. **Refunding.** The Treasury Board is hereby authorized, by and with the consent of the Governor,
226 to sell and issue, at one time or from time to time, refunding bonds and BANs of the Commonwealth, to
227 refund any or all of the bonds and BANs, respectively, issued under this act or otherwise pursuant to
228 Article X, Section 9 (b), of the Constitution of Virginia. Refunding bonds and BANs may be issued in a
229 principal amount up to the amount necessary to pay at maturity or redeem the bonds and BANs to be
230 refunded and pay all issuance costs and other financing expenses of the refunding. Such refunding
231 bonds and BANs may be issued whether or not the bonds or BANs to be refunded are then subject to
232 redemption. Any escrow or trust fund established with the proceeds from the sale of refunding bonds
233 shall be irrevocably pledged to the payment of the bonds to be refunded, and shall be used solely to pay
234 such bonds or BANs at maturity or upon redemption or for the purchase of not less than all of the
235 bonds or BANs to be refunded. Any such escrow or trust fund shall constitute a special fund for the

236 payment of such refunded bonds or BANs, and such refunded bonds or BANs, to the extent of amounts,
 237 including the maturity amounts of investments, set aside for the payment thereof in such escrow or trust
 238 fund, shall not be included for the purposes of determining any limitations upon the amount of bonded
 239 indebtedness of the Commonwealth that may be incurred pursuant to Article X, Section 9 (b), of the
 240 Constitution of Virginia. The Treasury Board may, however, direct that the interest received from the
 241 investment of the proceeds of the bonds or any BANs be transferred to the general fund of the State
 242 Treasury.

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

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

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

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

270 § 11. **Referendum.** The question of the effectiveness of this act and the authorization of the bonds
 271 shall be submitted to the qualified voters of the Commonwealth at the general election to be held on
 272 Tuesday, November 7, 2000. Notice of the election shall be given, the ballots shall be prepared,
 273 distributed and voted, and the results thereof ascertained and certified, in accordance with Title 24.2
 274 (§ 24.2-100 et seq.) of the Code of Virginia, relating to special elections. The ballots to be used at the
 275 election shall pose the question in substantially the following form:

276 QUESTION: Shall Chapter ____, Acts of the General Assembly of 2000, authorizing the issuance of
 277 general obligation bonds of the Commonwealth of Virginia in the maximum amount of \$90,100,000
 278 pursuant to Article X, Section 9 (b) of the Constitution of Virginia for capital projects for CULTURAL
 279 FACILITIES, take effect?

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

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

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

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

293 **2. That the Department of General Services shall modify its procedures as it deems necessary to**
 294 **ensure funding as set forth in this act for the nonstate agencies.**