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SENATE BILL NO. 33

Offered January 12, 2000

Prefiled December 20, 1999

A BILL to amend and reenact §§ 33.1-268, 33.1-269, 33.1-276, 33.1-277, 33.1-278, 33.1-280, and 33.1-284 of the Code of Virginia, and to authorize the Commonwealth Transportation Board, by and with the consent of the Governor, to issue Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes, pursuant to the provisions of Article 5 (§ 33.1-267 et seq.) of Chapter 3 of Title 33.1 of the Code of Virginia and as permitted by Section 9(d), Article X of the Constitution of Virginia, from time to time, provided that the aggregate principal amount outstanding at any time shall not exceed \$590,000,000 plus an amount for issuance costs, capitalized interest, reserve funds, and other financing expenses (including, without limitation, any original issue discount), for the purpose of providing funds, with any other available funds, for paying all or a portion of costs incurred or to be incurred for accelerated construction of projects included in the Commonwealth Transportation Board's Six-Year Improvement Program; authorizing the Commonwealth Transportation Board to fix the details of such obligations and to provide for the sale of such obligations from time to time at public or private sale; providing for the pledge, subject to appropriation, of federal highway funds received by the Commonwealth; and further providing that the interest income from such obligations shall be exempt from all taxation within the Commonwealth; all relating to the authority of the Commonwealth Transportation Board to issue Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes, and to projects to be funded with the proceeds.

 Patron—Stolle

 Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 33.1-268, 33.1-269, 33.1-276, 33.1-277, 33.1-278, 33.1-280 and 33.1-284 of the Code of Virginia are amended and reenacted as follows:

§ 33.1-268. Definitions.

As used in this article, the following words and terms shall have the following meanings:

(1) The word "Board" means the Commonwealth Transportation Board, or if the Commonwealth Transportation Board is abolished, any board, commission or officer succeeding to the principal functions thereof or upon whom the powers given by this article to the Board shall be given by law.

(2) The word "project" or "projects" means any one or more of the following:

(a) York River Bridges, extending from a point within the Town of Yorktown in York County, or within York County across the York River to Gloucester Point or some point in Gloucester County.

(b) Rappahannock River Bridge, extending from Greys Point, or its vicinity, in Middlesex County, across the Rappahannock River to a point in the vicinity of White Stone, in Lancaster County, or at some other feasible point in the general vicinity of the two respective points.

(c), (d) [Reserved.]

(e) James River Bridge, from a point at or near Jamestown, in James City County, across the James River to a point in Surry County.

(f), (g) [Reserved.]

(h) James River, Chuckatuck and Nansemond River Bridges, together with necessary connecting roads, in the Cities of Newport News and Suffolk and the County of Isle of Wight.

(i) [Reserved.]

(j) Hampton Roads Bridge, Tunnel, or Bridge and Tunnel System, extending from a point or points in the Cities of Newport News and Hampton on the northwest shore of Hampton Roads across Hampton Roads to a point or points in the City of Norfolk or Suffolk on the southeast shore of Hampton Roads.

(k) The Norfolk-Virginia Beach Highway, extending from a point in the vicinity of the intersection of Interstate Route 64 and Primary Route 58 at Norfolk to some feasible point between London Bridge and Primary Route 60.

(l) The Henrico-James River Bridge, extending from a point on the eastern shore of the James River in Henrico County to a point on the western shore, between Falling Creek and Bells Road interchanges of the Richmond-Petersburg Turnpike; however, the project shall be deemed to include all property, rights, easements and franchises relating to any of the foregoing projects and deemed necessary or convenient for the operation thereof and to include approaches thereto.

(m) The limited access highway between the Patrick Henry Airport area and the Newport News

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downtown area which generally runs parallel to tracks of the Chesapeake and Ohio Railroad.

(n) Dulles Access Road outer roadways, extending from a point on Route 7 in Loudoun County in an easterly direction to a point east of Route 123 on the Dulles Access Road in Fairfax County. These roadways are to be two or three lanes in each direction constructed adjacent to, and parallel to or extending west from, the Dulles Access Road.

(o), (p) [Repealed.]

(q) Subject to the limitations and approvals of § 33.1-279.1, any other highway for a primary highway transportation improvement district or transportation service district which the Board has agreed to finance under a contract with any such district or any other alternative mechanism for generation of local revenues for specific funding of a project satisfactory to the Commonwealth Transportation Board, the financing for which is to be secured by Transportation Trust Fund revenues under any appropriation made by the General Assembly for that purpose and payable first from revenues received under such contract or other local funding source, second, to the extent required, from funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project is located or to the county or counties in which the project is located and third, to the extent required from other legally available revenues of the Trust Fund and from any other available source of funds.

(r) U.S. 58 Corridor Development Program projects as defined in §§ 33.1-221.1:2 and 58.1-815.

(s) The Northern Virginia Transportation District Program as defined in § 33.1-221.1:3.

(t) Any program for highways or mass transit or transportation facilities, endorsed by the local jurisdiction or jurisdictions affected, which agree that certain distributions of state recordation taxes will be dedicated and used for the payment of any bonds or other obligations, including interest thereon, the proceeds of which were used to pay the cost of the program. Any such program shall be referred to as a "Transportation Improvement Program."

(u) *Any project included from time to time in the Board's Six-Year Improvement Program financed in whole or part through the issuance of Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes.*

(3) The word "undertaking" means all of the projects authorized to be acquired or constructed under this article.

(4) The word "improvements" means such repairs, replacements, additions and betterments of and to a project acquired by purchase or by condemnation as are deemed necessary to place it in a safe and efficient condition for the use of the public, if such repairs, replacements, additions and betterments are ordered prior to the sale of any bonds for the acquisition of such project.

(5) The term "cost of project" as applied to a project to be acquired by purchase or by condemnation, includes the purchase price or the amount of the award, cost of improvements, financing charges, interest during any period of disuse before completion of improvements, cost of traffic estimates and of engineering and legal expenses, plans, specifications and surveys, estimates of cost and of revenues, other expenses necessary or incident to determining the feasibility or practicability of the enterprises, administrative expenses and such other expenses as may be necessary or incident to the financing herein authorized and the acquisition of the project and the placing of the project in operation.

(6) The term "cost of project" as applied to a project to be constructed, embraces the cost of construction, the cost of all lands, properties, rights, easements and franchises acquired which are deemed necessary for such construction, the cost of acquiring by purchase or condemnation any ferry which is deemed by the Board to be competitive with any bridge to be constructed, the cost of all machinery and equipment, financing charges, interest prior to and during construction and for one year after completion of construction, cost of traffic estimates and of engineering data, engineering and legal expenses, cost of plans, specifications and surveys, estimates of cost and of revenues, other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense and such other expenses as may be necessary or incident to the financing herein authorized, the construction of the project, the placing of the project in operation and the condemnation of property necessary for such construction and operation.

(7) The word "owner" includes all individuals, incorporated companies, copartnerships, societies or associations having any title or interest in any property rights, easements or franchises authorized to be acquired by this article.

(8) [Repealed.]

(9) The words "revenue" and "revenues" include tolls and any other moneys received or pledged by the Board pursuant to this article, including, without limitation, legally available *Transportation Trust Fund revenues and any federal highway reimbursements and any other federal highway assistance received from time to time by the Commonwealth.*

(10) The terms "toll project" and "toll projects" mean projects financed in whole or in part through the issuance of revenue bonds which are secured by toll revenues generated by such project or projects.

§ 33.1-269. General powers of Board.

The Commonwealth Transportation Board may, subject to the provisions of this article:

1. Acquire by purchase or by condemnation, construct, improve, operate and maintain any one or more of the projects mentioned and included in the undertaking defined in this article;

2. Issue revenue bonds of the Commonwealth, to be known and designated as "Commonwealth of Virginia Toll Revenue Bonds," payable from earnings and from any other available sources of funds, to pay the cost of such projects;

3. Subject to the limitations and approvals of § 33.1-279.1, issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Contract Revenue Bonds," secured by Transportation Trust Fund revenues under a payment agreement between the Board and the Treasury Board, subject to their appropriation by the General Assembly and payable first from revenues received pursuant to contracts with a primary highway transportation improvement district or transportation service district or other local revenue sources for which specific funding of any such bonds may be authorized by law; second, to the extent required, from funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the county or counties in which the project or projects to be financed are located; and third, to the extent required, from other legally available revenues of the Trust Fund and from any other available source of funds;

4. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Revenue Bonds," secured (i) by revenues received from the U.S. Route 58 Corridor Development Fund, subject to their appropriation by the General Assembly, (ii) to the extent required, from revenues legally available from the Transportation Trust Fund and (iii) to the extent required, from any other legally available funds which have been appropriated by the General Assembly;

4a. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Revenue Bonds," secured, subject to their appropriation by the General Assembly, first from (i) revenues received from the Northern Virginia Transportation District Fund, (ii) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the city or county in which the project or projects to be financed are located, (iii) to the extent required, legally available revenues of the Transportation Trust Fund, and (iv) such other funds which may be appropriated by the General Assembly;

4b. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Program Revenue Bonds" secured, subject to their appropriation by the General Assembly, first from (i) any revenues received from any Set-aside Fund established by the General Assembly pursuant to § 58.1-816.1, (ii) to the extent required, revenues received pursuant to any contract with a local jurisdiction or any alternative mechanism for generation of local revenues for specific funding of a project satisfactory to the Commonwealth Transportation Board, (iii) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the city or county in which the project or projects to be financed are located, (iv) to the extent required, legally available revenues of the Transportation Trust Fund, and (v) such other funds which may be appropriated by the General Assembly. No bonds for any project or projects shall be issued under the authority of this subsection unless such project or projects are specifically included in a bill or resolution passed by the General Assembly;

4c. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Program Revenue Bonds" secured, subject to their appropriation by the General Assembly, first from (i) any revenues received from the Commonwealth Transit Capital Fund established by the General Assembly pursuant to subdivision A 4 g of § 58.1-638, (ii) to the extent required, legally available revenues of the Transportation Trust Fund, and (iii) such other funds which may be appropriated by the General Assembly. No bonds for any project or projects shall be issued under the authority of this subsection unless such project or projects are specifically included in a bill or resolution passed by the General Assembly;

4d. Issue revenue bonds of the Commonwealth from time to time to be known and designated as "Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes" secured, subject to their appropriation by the General Assembly, (i) first from any federal highway reimbursements and any other federal highway assistance received from time to time by the Commonwealth, (ii) then, at the discretion of the Board, to the extent required, from legally available revenues of the Transportation Trust Fund, and (iii) then from such other funds, if any, which are designated by the General Assembly for such purpose;

5. Fix and collect tolls and other charges for the use of such projects or to refinance the cost of such projects;

6. Construct grade separations at intersections of any projects with public highways, streets or other

public ways or places and change and adjust the lines and grades thereof so as to accommodate the same to the design of such grade separations, the cost of such grade separations and any damage incurred in changing and adjusting the lines and grades of such highways, streets, ways and places to be ascertained and paid by the Board as a part of the cost of the project;

7. Vacate or change the location of any portion of any public highway, street or other public way or place and reconstruct the same at such new location as the Board deems most favorable for the project and of substantially the same type and in as good condition as the original highway, streets, way or place, the cost of such reconstruction and any damage incurred in vacating or changing the location thereof to be ascertained and paid by the Board as a part of the cost of the project. Any public highway, street or other public way or place vacated or relocated by the Board shall be vacated or relocated in the manner provided by law for the vacation or relocation of public roads and any damages awarded on account thereof may be paid by the Board as a part of the cost of the project;

8. Make reasonable regulations for the installation, construction, maintenance, repair, renewal and relocation of pipes, mains, sewers, conduits, cables, wires, towers, poles and other equipment and appliances herein called "public utility facilities," of the Commonwealth and of any municipality, county, or other political subdivision, public utility or public service corporation owning or operating the same in, on, along, over or under the project. Whenever the Board determines that it is necessary that any such public utility facilities should be relocated or removed, the Commonwealth or such municipality, county, political subdivision, public utility or public service corporation shall relocate or remove the same in accordance with the order of the Board. The cost and expense of such relocation or removal, including the cost of installing such public utility facilities in a new location or locations, and the cost of any lands or any rights or interests in lands, and any other rights acquired to accomplish such relocation or removal shall be ascertained by the Board.

On any toll project, the Board shall pay the cost and expense of relocation or removal as a part of the cost of the project for those public utility facilities owned or operated by the Commonwealth or such municipality, county, political subdivision, public utility or public service corporation. On all other projects, under this article, the Board shall pay the cost and expense of relocation or removal as a part of the cost of the project for those public utility facilities owned or operated by the Commonwealth or such municipality, county, or political subdivision. The Commonwealth or such municipality, county, political subdivision, public utility or public service corporation may maintain and operate such public utility facilities with the necessary appurtenances, in the new location or locations, for as long a period and upon the same terms and conditions as it had the right to maintain and operate such public utility facilities in their former location or locations;

9. Acquire by the exercise of the power of eminent domain any lands, property, rights, rights-of-way, franchises, easements and other property, including public lands, parks, playgrounds, reservations, highways or parkways, or parts thereof or rights therein, of any municipality, county or other political subdivision, deemed necessary or convenient for the construction or the efficient operation of the project or necessary in the restoration, replacement or relocation of public or private property damaged or destroyed.

The cost of such projects shall be paid solely from the proceeds of Commonwealth of Virginia Toll or Transportation Contract Revenue Bonds or a combination thereof or from such proceeds and from any grant or contribution which may be made thereto pursuant to the provisions of this article; and

10. Notwithstanding any provision of this article to the contrary, the Board shall be authorized to exercise the powers conferred herein, in addition to its general powers to acquire rights-of-way and to construct, operate and maintain state highways, with respect to any project which the General Assembly has authorized or may hereafter authorize to be financed in whole or in part through the issuance of bonds of the Commonwealth pursuant to the provisions of Section 9 (c) of Article X of the Constitution of Virginia.

§ 33.1-276. Revenue bonds.

The Board may provide by resolution, at one time or from time to time, for the issuance of revenue bonds, notes, or other revenue obligations of the Commonwealth for the purpose of paying all or any part of the cost as hereinabove defined of any one or more projects as hereinabove defined. The principal or purchase price of, and redemption premium, if any, and interest on such bonds or obligations shall be payable solely from the special funds herein provided for such payment. "Special funds" for the purposes of this section shall include any such funds established for Commonwealth of Virginia Toll Revenue Bonds, Commonwealth of Virginia Transportation Contract Revenue Bonds, or Commonwealth of Virginia Transportation Revenue Bonds, or Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes.

§ 33.1-277. Credit of Commonwealth not pledged.

A. Commonwealth of Virginia Toll Revenue Bonds issued under the provisions of this article shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the faith and credit of the Commonwealth, but such bonds shall be payable solely from the funds herein provided therefor

from tolls and revenues, from bond proceeds or earnings thereon and from any other available sources of funds. All such bonds shall state on their face that the Commonwealth of Virginia is not obligated to pay the same or the interest thereon except from the special fund provided therefor from tolls and revenues under this article, from bond proceeds or earnings thereon and from any other available sources of funds and that the faith and credit of the Commonwealth are not pledged to the payment of the principal or interest of such bonds. The issuance of such revenue bonds under the provisions of this article shall not directly or indirectly or contingently obligate the Commonwealth to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment, other than appropriate available funds derived as revenues from tolls and charges under this article or derived from bond proceeds or earnings thereon and from any other available sources of funds.

B. Commonwealth of Virginia Transportation Contract Revenue Bonds issued under the provisions of this article shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the faith and credit of the Commonwealth, but such bonds shall be payable solely from the funds herein provided therefor (i) from revenues received pursuant to contracts with a primary highway transportation district or transportation service district or any other alternative mechanism for generation of local revenues for specific funding of a project satisfactory to the Commonwealth Transportation Board, (ii) to the extent required, from funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the county or counties in which such project or projects are located, (iii) from bond proceeds or earnings thereon, (iv) to the extent required, from other legally available revenues of the Trust Fund, and (v) from any other available source of funds. All such bonds shall state on their face that the Commonwealth of Virginia is not obligated to pay the same or the interest thereon except from revenues in clauses (i) and (iii) hereof and that the faith and credit of the Commonwealth are not pledged to the payment of the principal and interest of such bonds. The issuance of such revenue bonds under the provisions of this article shall not directly or indirectly or contingently obligate the Commonwealth to levy or to pledge any form of taxation whatever or to make any appropriation for their payment, other than to appropriate available funds derived as revenues under this article from the sources set forth in clauses (i) and (iii) hereof. Nothing in this article shall be construed to obligate the General Assembly to make any appropriation of the funds set forth in clause (ii) or (iv) hereof for payment of such bonds.

C. Commonwealth of Virginia Transportation Revenue Bonds issued under the provisions of this article shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the full faith and credit of the Commonwealth, but such bonds shall be payable solely from the funds herein provided therefor (i) from revenues received from the U.S. Route 58 Corridor Development Fund, subject to their appropriation by the General Assembly, (ii) to the extent required, from revenues legally available from the Transportation Trust Fund and (iii) to the extent required, from any other legally available funds which shall have been appropriated by the General Assembly.

D. Commonwealth of Virginia Transportation Revenue Bonds issued under this article for Category 1 projects as provided in subdivision (2) (s) of § 33.1-268 shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the faith and credit of the Commonwealth. Such bonds shall be payable solely, subject to their appropriation by the General Assembly, first from (i) revenues received from the Northern Virginia Transportation District Fund, (ii) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the city or county in which the project or projects to be financed are located, (iii) to the extent required, legally available revenues of the Transportation Trust Fund, and (iv) such other funds which may be appropriated by the General Assembly.

E. Commonwealth of Virginia Transportation Program Revenue Bonds issued under this article for projects defined in subdivision (2) (t) of § 33.1-268 shall not be deemed to constitute a debt of the Commonwealth or a pledge of the faith and credit of the Commonwealth. Such bonds shall be payable solely, subject to their appropriation by the General Assembly, first from (i) any revenues received from any Set-aside Fund established by the General Assembly pursuant to § 58.1-816.1, (ii) to the extent required, revenues received pursuant to any contract with a local jurisdiction or any alternative mechanism for generation of local revenues for specific funding of a project satisfactory to the Commonwealth Transportation Board, (iii) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the city or county in which the project or projects to be financed are located, (iv) to the extent required, legally available revenues from the Transportation Trust Fund, and (v) such other funds which may be appropriated by the General Assembly.

F. *Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes issued under this*

306 *article shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the full*
307 *faith and credit of the Commonwealth, but such obligations shall be payable solely from the funds,*
308 *subject to appropriation by the General Assembly, (i) first from any federal highway reimbursements*
309 *and any other federal highway assistance received from time to time by the Commonwealth, (ii) then, at*
310 *the discretion of the Board, to the extent required, from legally available revenues of the Transportation*
311 *Trust Fund, and (iii) then, from such other funds, if any, which are designated by the General Assembly*
312 *for such purpose.*

313 § 33.1-278. Form and terms of bonds.

314 The bonds of such issue shall be dated, shall bear interest at such rate or rates and shall mature at
315 such time or times, not exceeding forty years from their date or dates, as may be determined by the
316 Board or by formula or method established by resolution of the Board, and may be made redeemable
317 before maturity, at the option of the Board, at such price or prices and under such terms and conditions
318 as may be fixed by the Board prior to the issuance of the bonds. The principal *or purchase price of*, and
319 *redemption premium, if any, and interest of* on, such bonds may be made payable in any lawful
320 medium. The payments of principal and interest may be uniform in amount over the life of the bond;
321 however, such uniformity shall not be a prerequisite to the issuance of such bonds. The Board shall
322 determine the form of the bonds, including any interest coupons to be attached thereto, and shall fix the
323 denomination or denominations of the bonds and the place or places of payment of principal and interest
324 thereof, which may be at any bank or trust company within or without the Commonwealth. The bonds
325 shall be signed by the ~~Commonwealth Transportation Commissioner~~ *Chairman or Vice Chairman of the*
326 *Board* and the official seal of the Board shall be affixed thereto and attested by the ~~Secretary or~~
327 *Assistant Secretary* of the Board and any coupons attached thereto shall bear the facsimile signatures of
328 the ~~Commonwealth Transportation Commissioner~~ *Chairman or Vice Chairman of the Board*. When any
329 officer whose signature appears on the bonds or coupons ceases to be such officer before the delivery of
330 such bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if ~~he~~
331 *such officer* had remained in office until such delivery. All revenue bonds issued under the provisions of
332 this article shall have and are hereby declared to have, as between successive holders, all the qualities
333 and incidents of negotiable instruments under the negotiable instruments law of the Commonwealth.
334 Such bonds and the income thereof shall be exempt from all taxation within the Commonwealth. The
335 bonds may be issued in coupon or in registered form, or both, as the Board may determine, and
336 provision may be made for the registration of any coupon bond as to principal alone and also as to both
337 principal and interest and for the reconversion of any bonds registered as to both principal and interest
338 into coupon bonds. Prior to the preparation of definite bonds, the Board, under like restrictions, may
339 issue temporary bonds with or without coupons, exchangeable for definitive bonds upon the issuance of
340 the latter. The Board may also provide for the replacement of any bond which is mutilated, destroyed or
341 lost.

342 § 33.1-280. Sale of bonds; bonds as legal investments.

343 The Board may sell such bonds in such manner and for such price as it may determine to be for the
344 best interests of the Commonwealth, but no such sale shall be made at a price so low as to require the
345 payment of interest on the money received therefor at more than ~~six~~ *the maximum* per centum per
346 *annum approved by the Commonwealth Treasury Board with respect to such obligations in accordance*
347 *with § 2.1-179 of the Code of Virginia, as amended*, computed with relation to the absolute maturity of
348 the bonds in accordance with standard tables of bond values, excluding, however, from such
349 computations the amount of any premium to be paid on redemption for any bonds prior to maturity.

350 All bonds heretofore or hereafter issued pursuant to the authority of this article are hereby made
351 securities in which all public officers and bodies of this Commonwealth and all political subdivisions
352 thereof, all insurance companies and associations, all national banks and trust companies, and savings
353 institutions, including savings and loan associations, in the Commonwealth, and all executors,
354 administrators, trustees, and other fiduciaries, both individual or corporate, may properly and legally
355 invest funds within their control.

356 § 33.1-284. Trust indenture.

357 In the discretion of the Board, each or any issue of revenue bonds may be secured by a trust
358 indenture by and between the Board and a corporate trustee, which may be any trust company or bank
359 having ~~the trust powers of a trust company~~ within or outside of the Commonwealth. Such trust
360 indenture may pledge tolls and revenues to be received, but no such trust indenture shall convey or
361 mortgage any project or any part thereof. Either the resolution providing for the issuance of revenue
362 bonds or such trust indenture may contain such provisions for protecting and enforcing the rights and
363 remedies of the bondholders as may be reasonable and proper and not in violation of law, including
364 covenants setting forth the duties of the Board in relation to the acquisition, construction, improvement,
365 maintenance, operation, repair and insurance of the projects and the custody, safeguarding and
366 application of all moneys. Such resolution or trust indenture may also provide that the project or
367 projects shall be acquired, or acquired and improved, or constructed, and paid for under the supervision

and approval of consulting engineers employed or designated by the Board and satisfactory to the original purchasers of the bonds issued therefor and may also require that the security given by contractors and by any depository of the proceeds of the bonds or revenues of the project or projects or other moneys pertaining thereto be satisfactory to such purchasers. Any bank or trust company incorporated under the laws of this within or outside of the Commonwealth may act as such depository and furnish such indemnifying bonds or pledge such securities as may be required by the Board. Such indenture may set forth the rights and remedies of the bondholders and of the trustee and may restrict the individual right of action of bondholders as is customary in trust indentures securing bonds and debentures of corporations. In addition to the foregoing, such trust indenture may contain such other provisions as the Board may deem reasonable and proper for the security of the bondholders. Except as in this article otherwise provided, the Board may provide, by resolution or by such trust indenture, that after the payment of the proceeds of the sale of the bonds and the revenues of the project or projects into the state treasury the Board will immediately transfer or pay same over to such officer, board or depository as it may determine for the custody thereof and for the method of disbursement thereof, with such safeguards and restrictions as it may determine. All expenses incurred in carrying out such trust indenture may be treated as a part of the cost of maintenance, operation and repairs of the project or projects affected by such indenture.

3. Insofar as the provisions of this act are inconsistent with the provisions of any other general, special or local law, the provisions of this act shall be controlling.

4. That if any part of this act or the application thereof to any person or circumstance is held invalid by a court of competent jurisdiction, such holding shall not affect the validity of the remainder of the provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

2. That the Commonwealth Transportation Board is authorized, by and with the consent of the Governor, to issue Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes, as follows:

Whereas, Section 9(d) of Article X of the Constitution of Virginia and §§33.1-267 through 33.1-295 of the Code of Virginia, as amended, provide that the General Assembly may authorize the issuance of bonds or notes secured and payable subject to appropriations therefor by the General Assembly; and

Whereas, in accordance with the National Highway System Designation Act of 1995, and the federal Transportation Equity Act for the 21st Century, states may issue Grant Anticipation Revenue Vehicles or "GARVEES", which are securities issued in anticipation of, and payable from, federal reimbursements with respect to federal aid transportation projects; and

Whereas, utilizing GARVEES, to be designated as Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes, on an ongoing basis to finance projects included in the Commonwealth Transportation Board's Six-Year Improvement Program can accelerate such projects and can result in cost savings to the Commonwealth, since those projects can be delivered significantly sooner than would be possible with traditional funding mechanisms and can be completed at costs obtainable sooner rather than when such traditional funding would be available; and

Whereas, it is in the best interests of the Commonwealth to develop such new and innovative methods for ongoing funding and acceleration of critical transportation projects; now, therefore,

§ 1. This Act shall be known and may be cited as the "Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes 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, as amended, from time to time revenue obligations of the Commonwealth to be designated "Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes, Series", provided that the aggregate principal amount outstanding at any time shall not exceed \$590,000,000 (exclusive of any obligations that may be issued to refund such notes in accordance with § 33.1-293 of the Code of Virginia, as amended) plus an amount for issuance costs, capitalized interest, reserve funds, and other financing expenses, including, without limitation, any original issue discount (the "Notes"). The proceeds of the Notes shall be used exclusively for the purpose of providing funds, together with any other available funds, for paying the costs incurred or to be incurred for construction or funding of projects included from time to time in the Commonwealth Transportation Board's Six-Year Improvement Program (the "projects"). Such costs may include the payment of interest on Notes for a period during construction and not exceeding one year after completion of construction of the projects financed by such Notes.

§ 3. The proceeds of Notes, including any premium received on the sale thereof, shall be made available by the Commonwealth Transportation Board to pay costs of the projects and, where appropriate, may be paid to any authority, locality, commission or other entity for the purposes of paying for costs of the projects. The proceeds of Notes may be used together with any federal, local or

429 private funds which may be made available for such purpose. The proceeds of Notes, together with any
430 investment earnings thereon, may at the discretion of the Commonwealth Transportation Board secure
431 the payment of principal or purchase price of and redemption premium, if any, and interest on Notes.

432 § 4. The terms and structure of each issue of Notes shall be determined by the Commonwealth
433 Transportation Board, subject to approval by the Treasury Board in accordance with § 2.1-179 of the
434 Code of Virginia, as amended. The Notes of each issue shall be dated, shall be issued in a principal
435 amount (subject to the limitation as to amount outstanding at any one time set forth in § 2), shall bear
436 interest at such rate or rates which may be fixed, adjustable, variable or a combination thereof, and
437 may be determined by a formula or other method, shall mature at such time or times not exceeding
438 fifteen years after the issuance thereof, and may be made subject to purchase or redemption before their
439 maturity or maturities, at such price or prices and under such terms and conditions, all as may be
440 determined by the Commonwealth Transportation Board. The Commonwealth Transportation Board shall
441 determine the form of the Notes, whether Notes are certificated or uncertificated, and fix the authorized
442 denomination or denominations of Notes and the place or places of payment of principal or purchase
443 price of, and redemption premium, if any, and interest on, Notes, which may be at the office of the State
444 Treasurer or any bank or trust company within or without the Commonwealth. The principal or
445 purchase price of, and redemption premium, if any, and interest on, Notes shall be made payable in
446 lawful money of the United States of America. Each issue of Notes may be issued under a system of
447 book entry for recording the ownership and transfer of ownership of rights to receive payments of
448 principal or purchase price of and redemption premium, if any, and interest on such Notes. All Notes
449 shall have and are hereby declared to have, as between successive holders, all the qualities and
450 incidents of negotiable instruments under the negotiable instruments law of the Commonwealth.

451 The Commonwealth Transportation Board may sell Notes from time to time at public or private sale,
452 by competitive bidding, negotiated sale or private placement, for such price or prices as it may
453 determine to be in the best interests of the Commonwealth.

454 § 5. The Notes shall be signed on behalf of the Commonwealth Transportation Board by the
455 Chairman or Vice Chairman of the Commonwealth Transportation Board, or shall bear the facsimile
456 signature of such officer, and shall bear the official seal of the Board, which shall be attested by the
457 manual or facsimile signature of the Secretary or Assistant Secretary of the Commonwealth
458 Transportation Board. In the event that Notes shall bear the facsimile signature of the Chairman or
459 Vice Chairman of the Commonwealth Transportation Board, such Notes shall be signed by such
460 administrative assistant as the Chairman of the Transportation Board shall determine or by any
461 registrar/paying agent that may be designated by the Commonwealth Transportation Board. In case any
462 officer whose signature or a facsimile of whose signature appears on any Notes shall cease to be such
463 officer before the delivery of such Notes, such signature or facsimile signature nevertheless shall be
464 valid and sufficient for all purposes as if such officer had remained in office until such delivery.

465 § 6. All expenses incurred under this Act or in connection with issuance of Notes shall be paid from
466 the proceeds of such Notes or from any available funds as the Commonwealth Transportation Board
467 shall determine.

468 § 7. The Commonwealth Transportation Board is hereby authorized to borrow money at such rate or
469 rates through the execution and issuance of notes for the same, but only in the following circumstances
470 and under the following conditions:

471 a. In anticipation of the sale of Notes the issuance of which shall have been authorized by the
472 Commonwealth Transportation Board and shall have been approved by the Governor, if the
473 Commonwealth Transportation Board shall deem it advisable to postpone the issuance of such Notes; or

474 b. For the renewal of any anticipation notes herein authorized.

475 § 8. The proceeds of Notes and of any anticipation notes herein authorized (except the proceeds of
476 the Notes the issuance of which has been anticipated by such anticipation notes) shall be placed by the
477 State Treasurer in a special fund in the State Treasury, or may be placed with a trustee in accordance
478 with § 33.1-283 of the Code of Virginia, as amended, and shall be disbursed only for the purpose for
479 which such Notes and such anticipation notes shall be issued; provided, however, proceeds derived from
480 the sale of Notes herein authorized shall be first used in the payment of any anticipation notes that may
481 have been issued in anticipation of the sale of such Notes and any renewals of such notes. The proceeds
482 of Notes and of any anticipation notes herein authorized, together with any investment earnings thereon,
483 shall not be taken into account in computing, and shall be in addition to funds allocated pursuant to,
484 the highway allocation formula set forth in § 33.1-23.1 of the Code of Virginia, as amended.

485 § 9. The Commonwealth Transportation Board is hereby authorized to receive any other funds that
486 may be made available to pay costs of the projects and, subject to appropriation, to make available the
487 same to the payment of the principal or purchase price of, and redemption premium, if any, and interest
488 on, Notes authorized hereby and to enter into the appropriate agreements to allow for those funds to be
489 paid in to the State Treasury, or to a trustee in accordance with § 33.1-283 of the Code of Virginia, as
490 amended, to pay a part of the costs of the projects or to pay principal or purchase price of, and

redemption premium, if any, and interest on Notes.

§ 10. In accordance with Section 7 of Article X of the Constitution of Virginia and § 2.1-180 of the Code of Virginia, as amended, all federal highway reimbursements and other federal highway assistance received by the Commonwealth from time to time shall be paid into the State Treasury. The Commonwealth Transportation Board, in connection with the issuance of Notes, shall establish a fund in accordance with § 33.1-286 of the Code of Virginia, as amended, either in the State Treasury or with a trustee in accordance with § 33.1-283 of the Code of Virginia, as amended, which shall secure and be used for the payment of Notes to the credit of which there shall be deposited such amounts, appropriated therefor by the General Assembly, as are required to pay principal or purchase price of, and redemption premium, if any, and interest on, Notes, as and when due and payable, (i) first from any federal highway reimbursements and any other federal highway assistance received from time to time by the Commonwealth, (ii) then, at the discretion of the Commonwealth Transportation Board, to the extent required, from legally available revenues of the Transportation Trust Fund and (iii) then from such other funds, if any, which may be designated by the General Assembly for such purpose.

§ 11. Note proceeds and moneys in any reserve funds and sinking funds in respect of Notes shall be invested by the State Treasurer in accordance with the provisions of general law relating to the investment of such funds belonging to or in the control of the Commonwealth, or by a trustee in accordance with § 33.1-283 of the Code of Virginia, as amended.

§ 12. The interest income from, and any profit made on the sale of, the obligations issued under the provisions of this Act shall at all times be free and exempt from taxation by the Commonwealth and by any municipality, county or other political subdivision thereof.

§ 13. All obligations issued under the provisions of this Act are hereby made securities in which all persons and entities listed in § 33.1-280 of the Code of Virginia, as amended, may properly and legally invest funds under their control. #