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## SENATE BILL NO. 715

AMENDMENT IN THE NATURE OF A SUBSTITUTE  
(Proposed by the Senate Committee on Local Government  
on February 8, 2000)

(Patron Prior to Substitute—Senator Whipple)

*A BILL to amend and reenact §§ 62.1-199 and 62.1-215, relating to the Virginia Resources Authority.***Be it enacted by the General Assembly of Virginia:****1. That §§ 62.1-199 and 62.1-215 of the Code of Virginia are amended and reenacted, as follows:**

§ 62.1-199. Definitions.

As used in this chapter, unless a different meaning clearly appears from the context:

"Authority" means the Virginia Resources Authority created by this chapter.

"Board of Directors" means the Board of Directors of the Authority.

"Bonds" means any bonds, notes, debentures, interim certificates, bond, grant or revenue anticipation notes, lease and sale-leaseback transactions or any other evidences of indebtedness of the Authority.

"Capital Reserve Fund" means the reserve fund created and established by the Authority in accordance with § 62.1-215.

"Cost," as applied to any project financed under the provisions of this chapter, means the total of all costs incurred by the local government as reasonable and necessary for carrying out all works and undertakings necessary or incident to the accomplishment of any project. It includes, without limitation, all necessary developmental, planning and feasibility studies, surveys, plans and specifications, architectural, engineering, financial, legal or other special services, the cost of acquisition of land and any buildings and improvements thereon, including the discharge of any obligations of the sellers of such land, buildings or improvements, site preparation and development, including demolition or removal of existing structures, construction and reconstruction, labor, materials, machinery and equipment, the reasonable costs of financing incurred by the local government in the course of the development of the project, including the cost of any credit enhancements, carrying charges incurred before placing the project in service, interest on local obligations issued to finance the project to a date subsequent to the estimated date the project is to be placed in service, necessary expenses incurred in connection with placing the project in service, the funding of accounts and reserves which the Authority may require and the cost of other items which the Authority determines to be reasonable and necessary. It also includes the amount of any contribution, grant or aid which a local government may make or give to any adjoining state, the District of Columbia or any department, agency or instrumentality thereof to pay the costs incident and necessary to the accomplishment of any project, including, without limitation, the items set forth above.

"Credit enhancements" means surety bonds, insurance policies, letters of credit, guarantees and other forms of collateral or security.

"Local government" means any county, city, town, municipal corporation, authority, district, commission or political subdivision created by the General Assembly or pursuant to the Constitution and laws of the Commonwealth or any combination of any two or more of the foregoing.

"Local obligations" means any bonds, notes, debentures, interim certificates, bond, grant or revenue anticipation notes, leases or any other evidences of indebtedness of a local government.

"Minimum capital reserve fund requirement" means, as of any particular date of computation, the amount of money designated as the minimum capital reserve fund requirement which may be established in the resolution of the Authority authorizing the issuance of, or the trust indenture securing, any outstanding issue of bonds or credit enhancement.

"Project" means any water supply or wastewater treatment facility including a facility for receiving and stabilizing septage or a soil drainage management facility and any solid waste treatment, disposal, or management facility, recycling facility, or resource recovery facility located or to be located in the Commonwealth, the District of Columbia or any adjoining state, all or part of which facility serves or is to serve any local government. The term includes, without limitation, water supply and intake facilities; water treatment and filtration facilities; water storage facilities; water distribution facilities; sewage and wastewater (including surface and ground water) collection, treatment and disposal facilities; drainage facilities and projects; solid waste treatment, disposal or management facilities; recycling facilities; resource recovery facilities; related office, administrative, storage, maintenance and laboratory facilities; and interests in land related thereto. The term also means any heavy rail transportation facilities operated by a transportation district, created under the Transportation District Act of 1964 (§ 15.2-4500 et seq.), which operates heavy rail freight service, including rolling stock, barge loading facilities, and any related marine or rail equipment. In addition, the term means any project as defined in § 5.1-30.1 and any professional sports facility, including a major league baseball stadium as defined in § 15.2-5800,

60 *provided that the specific professional sports facility projects have been designated by the General*  
61 *Assembly as eligible for assistance from the Authority.*

62 § 62.1-215. Establishment of capital reserve funds.

63 A. 1. The Authority may create and establish one or more capital reserve funds and may pay into  
64 each capital reserve fund (i) any moneys appropriated and made available by the Commonwealth for the  
65 purpose of such a fund, (ii) any proceeds of the sale of bonds of the Authority, to the extent provided in  
66 the resolution authorizing the issuance of, or the trust indenture securing, the bonds, and (iii) any other  
67 moneys which may be made available to the Authority for the purpose of such a fund from any other  
68 source. All moneys held in any capital reserve fund, except as hereinafter provided, shall be used solely  
69 for the payment when due of the principal of and premium, if any, and interest on the bonds or  
70 obligations under credit enhancements issued by the Authority secured in whole or in part by such a  
71 fund. If, however, moneys in any such fund are ever less than the minimum capital reserve fund  
72 requirement established for the fund, the Authority shall not use the moneys for any optional purchase  
73 or redemption of bonds. Any income or interest earned on, or increment to, any capital reserve fund due  
74 to its investment may be transferred by the Authority to other funds or accounts of the Authority to the  
75 extent it does not reduce the amount of the capital reserve fund below its minimal requirement.

76 2. The Authority shall not at any time issue bonds or credit enhancements secured in whole or in  
77 part by any capital reserve fund, if upon the issuance of the bonds or credit enhancements, the amount  
78 in the capital reserve fund will be less than its minimal requirement unless the Authority, at the time of  
79 issuance of the bonds or credit enhancements, deposits in the fund an amount which, together with the  
80 amount then in the fund, will not be less than the fund's minimal capital reserve requirement.

81 B. In order to assure further the maintenance of capital reserve funds, the chairman of the Authority  
82 shall annually, on or before December 1, make and deliver to the Governor and the Secretary of  
83 Administration a certificate stating the sum, if any, required to restore each capital reserve fund to its  
84 minimal requirement. Within five days after the beginning of each session of the General Assembly, the  
85 Governor shall submit to the presiding officer of each House of the General Assembly printed copies of  
86 a budget including the sum, if any, required to restore each capital reserve fund to its minimal  
87 requirement. All sums, if any, which may be appropriated by the General Assembly for any restoration  
88 and paid to the Authority shall be deposited by the Authority in the applicable capital reserve fund. All  
89 amounts paid to the Authority by the Commonwealth pursuant to the provisions of this section shall  
90 constitute and be accounted for as advances by the Commonwealth to the Authority and, subject to the  
91 rights of the holders of any bonds of the Authority or the beneficiaries of credit enhancements of the  
92 Authority, shall be repaid to the Commonwealth without interest from available operating revenues of  
93 the Authority in excess of amounts required for the payment of bonds, credit enhancements or other  
94 obligations of the Authority, the maintenance of capital reserve funds, and operating expenses.

95 C. The Authority may create and establish other funds as necessary or desirable for its corporate  
96 purposes.

97 D. Nothing in this section shall be construed as limiting the power of the Authority to issue bonds or  
98 credit enhancements not secured by a capital reserve fund. *In addition, no bonds issued by the Authority*  
99 *to finance a professional sports facility shall be secured by a capital reserve fund.*