

2001 SESSION

INTRODUCED

012801724

HOUSE BILL NO. 1553

Offered January 10, 2001

Prefiled July 14, 2000

A *BILL* authorizing the issuance of Commonwealth of Virginia Higher Education and Related Educational Facilities Bonds in an amount not exceeding \$670,400,000 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.

Patron—Diamonstein

Referred to Committee on Finance

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 2001."

§ 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 6, 2001, 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 \$670,400,000. 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 Name	Amount
Christopher Newport University	
New Construction: Performing Arts Center	\$10,000,000
Acquisition: Masterplan Properties	3,000,000
New Construction: Plant and University Services	3,600,000
New Construction: Academic Addition	2,200,000
The College of William and Mary	
Improvements: Rogers Hall Renovation	14,000,000
Improvements: Small Hall Renovation	10,000,000
Improvements: Andrews Hall Renovation	5,000,000

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57	<i>Improvements: Utilities Infrastructure</i>	<i>2,500,000</i>
58		
59	<i>George Mason University</i>	
60		
61	<i>Improvements: Renovation of Thompson and West Academic</i>	<i>9,000,000</i>
62		
63	<i>New Construction: Prince William Academic III</i>	<i>15,000,000</i>
64		
65	<i>New Construction: Academic II, Arlington Campus</i>	<i>21,000,000</i>
66		
67	<i>Improvements: Academic Renovations</i>	<i>5,000,000</i>
68		
69	<i>James Madison University</i>	
70		
71	<i>Improvements: Harrison Hall and Annex Renovations</i>	<i>8,300,000</i>
72		
73	<i>New Construction: College of Integrated Science and</i>	
74		
75	<i>Technology III</i>	<i>26,000,000</i>
76		
77	<i>Longwood College</i>	
78		
79	<i>Improvements: Jarman Auditorium Renovation</i>	<i>5,800,000</i>
80		
81	<i>Improvements: Heating Plant Renovations</i>	<i>2,000,000</i>
82		
83	<i>Equipment: Ruffner Hall and Science Building</i>	<i>8,000,000</i>
84		
85	<i>Mary Washington College</i>	
86		
87	<i>Improvements: Lee Hall Renovation</i>	<i>7,000,000</i>
88		
89	<i>New Construction: Stafford Campus Phase II</i>	<i>8,000,000</i>
90		
91	<i>Melchers Monroe Memorials</i>	
92		
93	<i>Improvements: Renovation of Belmont</i>	<i>3,000,000</i>
94		
95	<i>Norfolk State University</i>	
96		
97	<i>Improvements: Teacher Education Building Renovation</i>	<i>4,200,000</i>
98		
99	<i>Improvements: HVAC Renovations Various Buildings</i>	<i>6,000,000</i>
100		
101	<i>Improvements: Handicapped Access</i>	<i>2,000,000</i>
102		
103	<i>Improvements: Campus Infrastructure</i>	<i>2,000,000</i>
104		
105	<i>Old Dominion University</i>	
106		
107	<i>Improvements: Batten Arts and Letters Renovations</i>	<i>10,800,000</i>
108		
109	<i>New Construction: Tri-Cities Higher Education Center</i>	<i>3,300,000</i>
110		
111	<i>Improvements: Technology Building Renovations</i>	<i>10,300,000</i>
112		
113	<i>Improvements: Chemistry Building Renovations</i>	<i>1,500,000</i>

114		
115	Improvements: Campus Infrastructure	4,000,000
116		
117	Radford University	
118		
119	New Construction: Visual and Performing Arts Center	9,900,000
120		
121	Improvements: Porterfield Hall Renovation	1,200,000
122		
123	Improvements: Campus Infrastructure Renovations	4,000,000
124		
125	Richard Bland College	
126		
127	Improvements: Campus Renovations	1,000,000
128		
129	University of Virginia	
130		
131	Improvements: Campbell Hall Chiller Plant	2,500,000
132		
133	New Construction: Health Sciences Research and	
134		
135	Education Building #6	25,000,000
136		
137	Improvements: Renovation of Fayerweather Hall	4,600,000
138		
139	Improvements: McCormack West Stormwater Management	1,500,000
140		
141	Improvements: Renovation of Cocke Hall	5,000,000
142		
143	New Construction: Information Technology	
144		
145	Engineering Building	12,500,000
146		
147	Univeristy of Virginia at Wise	
148		
149	Improvements: Drama Building Renovations	6,300,000
150		
151	Improvements: Access Road and Pedestrian Safety	2,000,000
152		
153	Virginia Commonwealth University	
154		
155	Improvements: Hibbs Building Renovation	9,000,000
156		
157	Improvements: West Hospital/Allied Health	
158		
159	Renovations and Demolition	13,000,000
160		
161	Improvements: Classroom and Libraries Renovations	5,000,000
162		
163	New Construction: Massey Cancer Center Addition	13,000,000
164		
165	New Construction: Engineering Manufacturing	
166		
167	Building, Phase II	10,000,000
168		
169	Virginia Community College System	

170		
171	<i>Blue Ridge</i>	
172		
173	<i>New Construction: Performing Arts Center</i>	<i>5,000,000</i>
174		
175	<i>Central Virginia</i>	
176		
177	<i>New Construction: Manufacturing Technology Center</i>	<i>4,500,000</i>
178		
179	<i>Danville</i>	
180		
181	<i>Improvements: Campus Renovations</i>	<i>1,000,000</i>
182		
183	<i>Dabney S. Lancaster</i>	
184		
185	<i>Improvements: Campus Renovations</i>	<i>1,000,000</i>
186		
187	<i>Eastern Shore</i>	
188		
189	<i>New Construction: Workforce Training Center</i>	<i>2,700,000</i>
190		
191	<i>Germanna</i>	
192		
193	<i>New Construction: Workforce Training Center</i>	<i>7,500,000</i>
194		
195	<i>J. Sargeant Reynolds</i>	
196		
197	<i>New Construction: Parham Road Campus, Phase IV</i>	<i>14,400,000</i>
198		
199	<i>John Tyler</i>	
200		
201	<i>Improvements: Renovation of Instructional Labs</i>	<i>5,000,000</i>
202		
203	<i>New Construction: Access Road/Main Entrance Improvements</i>	<i>1,000,000</i>
204		
205	<i>Lord Fairfax</i>	
206		
207	<i>New Construction: Science Lab</i>	<i>7,900,000</i>
208		
209	<i>Mountain Empire</i>	
210		
211	<i>Improvements: Campus Renovations</i>	<i>1,000,000</i>
212		
213	<i>New River</i>	
214		
215	<i>Improvements: Campus Renovations</i>	<i>1,000,000</i>
216		
217		
218	<i>Northern Virginia</i>	
219		
220	<i>New Construction: Alexandria Campus, Phase III</i>	<i>12,000,000</i>
221		
222	<i>Improvements: Woodbridge Campus Renovations</i>	<i>1,500,000</i>
223		
224	<i>Improvements: Annandale Renovations</i>	<i>3,800,000</i>
225		
226	<i>Patrick Henry</i>	

227		
228	<i>Improvements: Learning Resource Center Renovation</i>	<i>1,200,000</i>
229		
230	<i>Paul D. Camp</i>	
231		
232	<i>Improvements: Campus Renovations</i>	<i>1,000,000</i>
233		
234	<i>Piedmont Virginia</i>	
235		
236	<i>Academic Building Renovations</i>	<i>3,400,000</i>
237		
238	<i>Rappahannock</i>	
239		
240	<i>Improvements: Campus Renovations</i>	<i>1,000,000</i>
241		
242	<i>Southside Virginia</i>	
243		
244	<i>New Construction: Ft. Pickett Heavy Equipment Program</i>	<i>2,000,000</i>
245		
246	<i>Southwest Virginia</i>	
247		
248	<i>New Construction: Learning Resource Center</i>	<i>8,000,000</i>
249		
250	<i>Thomas Nelson</i>	
251		
252	<i>Improvements: Instructional Renovations</i>	<i>2,200,000</i>
253		
254	<i>Tidewater</i>	
255		
256	<i>New Construction: Academic Building, Virginia Beach</i>	<i>14,000,000</i>
257		
258	<i>Virginia Highlands</i>	
259		
260	<i>Improvements: Campus Renovations</i>	<i>1,000,000</i>
261		
262	<i>Virginia Western</i>	
263		
264	<i>New Construction: Webber Hall Addition</i>	<i>3,000,000</i>
265		
266	<i>Wytheville</i>	
267		
268	<i>Improvements: Instructional Renovations</i>	<i>1,300,000</i>
269		
270	<i>Virginia Cooperative Extension and Research Station</i>	
271		
272	<i>New Construction: Agriculture and Forestry</i>	
273		
274	<i>Research Facility</i>	<i>23,600,000</i>
275		
276	<i>Virginia Institute of Marine Science</i>	
277		
278	<i>New Construction: Brooke and Davis Hall Renovations</i>	<i>12,000,000</i>
279		
280	<i>Virginia Military Institute</i>	
281		
282	<i>Improvements: Nichols Engineering Hall Renovations</i>	<i>21,000,000</i>

283		
284	Virginia Polytechnic Institute and State University	
285		
286	Improvements: Upper Quad Conversion, Henderson Hall	6,100,000
287		
288	New Construction: Engineering Facility	10,000,000
289		
290	Improvements: Biology Building Renovations	10,000,000
291		
292	New Construction: Bioinformatics, Phase II	24,400,000
293		
294	Virginia State University	
295		
296	Improvements: Daniels Gymnasium Renovation and Addition	11,900,000
297		
298	Improvements: Campus Infrastructure	3,000,000
299		
300	Virginia Museum of Fine Arts	
301		
302	New Construction: Masterplan Improvements/	
303		
304	Museum Expansion	29,000,000
305		
306	Science Museum of Virginia	
307		
308	New Construction: Belmont Bay Science Center	24,000,000
309		
310	Jamestown-Yorktown Foundation	
311		
312	New Construction: 400th Anniversary Improvements	
313		
314	Masterplan	21,000,000
315		
316	Museum of Natural History	
317		
318	New Construction: Natural History Museum	18,000,000
319		
320	Frontier Culture Museum	
321		
322	New Construction: Visitors Center Expansion	11,000,000
323		
324	Total	\$670,400,000
325		

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

328 *Upon the request of the governing board of an educational institution, the Governor or the*
 329 *Governor's designee may increase or decrease the allocation to any capital project for such institution,*
 330 *within the total amount allocated to capital projects for such institution. To the extent that the cost of*
 331 *any capital project is less than the amount allocated to such capital project, the Governor or the*
 332 *Governor's designee may increase the amount allocated to any other capital project included herein. No*
 333 *allocation to a capital project may be increased until it has been demonstrated to the satisfaction of the*
 334 *Governor or the Governor's designee that (i) the cost of the capital project has been reduced to the*
 335 *extent reasonable, (ii) the capital project has not been expanded or enhanced beyond that originally*
 336 *approved, and (iii) the capital project is suitable and adequate for the scope originally intended. No*
 337 *increase in the amount allocated to any capital project shall constitute an authorization for the issuance*
 338 *of bonds in an amount in excess of the aggregate amount authorized hereunder.*

339 **§ 4. Application of Proceeds.** *Proceeds (including any premium) of the bonds and any BANs (except*
 340 *the proceeds of (i) bonds the issuance of which has been anticipated by BANs, (ii) refunding bonds, and*

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

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

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

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

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

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

§ 6. **Refunding.** 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, refunding bonds and BANs of the Commonwealth to refund any or all of the bonds and BANs, respectively, issued under this act or otherwise pursuant to Article X, Section 9(b) of the Constitution of Virginia. Refunding bonds and BANs may be issued in a principal amount up to the amount necessary to pay at maturity or redeem the bonds and BANs to be refunded and pay all issuance costs and other financing expenses of the refunding. Such refunding

bonds and BANs may be issued whether or not the bonds or BANs to be refunded are then subject to redemption. Any escrow or trust fund established with the proceeds from the sale of refunding bonds shall be irrevocably pledged to the payment of the bonds to be refunded, and shall be used solely to pay such bonds or BANs at maturity or upon redemption or for the purchase of not less than all of the bonds or BANs to be refunded. Any such escrow or trust fund shall constitute a special fund for the payment of such refunded bonds or BANs, and such refunded bonds or BANs, to the extent of amounts, including the maturity amounts of investments, set aside for the payment thereof in such escrow or trust fund, shall not be included for the purposes of determining any limitations upon the amount of bonded indebtedness of the Commonwealth that may be incurred pursuant to Article X, Section 9(b) of the Constitution of Virginia. The Treasury Board may, however, direct that the interest received from the investment of the proceeds of the bonds or any BANs be transferred to the general fund of the state treasury.

§ 7. **Authorized Investments.** Pending the application of the proceeds of the bonds or BANs (including refunding bonds and BANs) to the purpose for which they have been authorized and the application of funds set aside for the purpose to the payment of bonds or BANs, they may be invested by the State Treasurer in securities that are legal investments under the laws of the Commonwealth for public funds and sinking funds, as the case may be. Whenever the State Treasurer receives interest from the investment of the proceeds of bonds or any BANs, such interest shall become a part of the principal of the bonds or any BANs and shall be used in the same manner as required for principal of the bonds 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 6, 2001. 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 2001, authorizing the issuance of general obligation bonds of the Commonwealth of Virginia in the maximum amount of \$ 670,400,000 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.