

2001 SESSION

HOUSE SUBSTITUTE

011809924

HOUSE BILL NO. 1747

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Appropriations
on February 1, 2001)

(Patrons Prior to Substitute—Delegates Callahan and Diamonstein [HB 1604])

A *BILL* authorizing the issuance of Commonwealth of Virginia Higher Education and Related Educational Facilities Bonds in an amount not exceeding \$803,703,975 for the purpose of providing funds for paying, together with any other available funds, the cost of capital projects for acquiring, constructing, restoring, repairing, improving, and refurbishing the physical plants, including incidental equipment, of higher education and related educational facilities; authorizing the Treasury Board, by and with the consent of the Governor, to fix the details of such bonds and to provide for the sale of the bonds; authorizing the Treasury Board, by and with the consent of the Governor, to borrow money in anticipation of the issuance of the bonds; authorizing the issuance of refunding bonds, by and with the consent of the Governor; providing for the pledge of the full faith and credit of the Commonwealth for the payment of such obligations; providing that interest on such obligations shall be exempt from all taxation by the Commonwealth and any political subdivision thereof; and providing that this act shall not become effective and that no bonds shall be issued hereunder unless this act is approved by a majority of the qualified voters of the Commonwealth voting thereon at an election, as required by Article X, Section 9 (b) of the Constitution of Virginia.

Be it enacted by the General Assembly of Virginia:

§ 1. Title. This act shall be known and may be cited as the "Commonwealth of Virginia Higher Education and Related Educational 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 Educational Facilities Bonds, Series...", in an aggregate principal amount not exceeding \$803,703,975. 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:

Institution Campus Project		Amount
CNU	Improvements: Ferguson Plant Operations,	
	Classrooms and Art	\$15,600,000
CNU	New Construction: Information Technology Center/Library	7,900,000
CNU	New Construction: Warehouse and Grounds	1,300,000
CNU	Property Acquisition	3,000,000
CWM	Improvements: Small Hall	10,000,000
CWM	Improvements: Utilities Infrastructure	2,500,000
CWM	Improve/New Const: Rogers Hall	15,250,000
CWM	Improve/New Const: Law Library	18,213,000
CWM	Improvements: Andrews Hall	5,374,000
CWM	Improvements: Lake Matoaka	2,500,000

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58			
59	GMU	New Construction: Arlington, II	24,800,000
60			
61	GMU	New Construction: Prince William, III	15,600,000
62			
63	GMU	Improvements: Thompson/West/Pohick	11,100,000
64			
65	GMU	Improvements: Institute for Conflict Analysis	1,000,000
66			
67	JMU	Improvements: Harrison Hall & Annex	8,330,000
68			
69	JMU	New Construction: CISAT A 3a Construction	23,800,000
70			
71	JMU	Improvements: Technology Infrastructure	5,581,000
72			
73	JMU	Improvements: Miller Hall	12,753,000
74			
75	LC	Improvements: Bedford Wygal Connector	8,200,000
76			
77	LC	Improvements: Jarman Renovation	4,383,000
78			
79	LC	Improvements: Central Heating Plant Repairs	1,740,000
80			
81	LC	Improvements: Stormwater Management	750,000
82			
83	MWC	New Construction: Stafford Building #2	6,500,000
84			
85	MWC	Improvements: Lee Hall	7,000,000
86			
87	MWC	Improvements: Belmont, Phase II	3,000,000
88			
89	NSU	Improvements: Teacher Education	4,194,000
90			
91	NSU	Improvements: Robinson Tech Center	5,500,000
92			
93	NSU	Improvements: Umbrella HVAC Improvements	2,108,000
94			
95	NSU	Improvements: Handicapped Accessibility	2,182,000
96			
97	NSU	Improvements: Campus Infrastructure	2,000,000
98			
99	NSU	Improvements: Wilson Hall	7,250,000
100			
101	ODU	New Construction: Engineering & Computational Sciences	6,000,000
102			
103	ODU	Improvements: Technology Building	8,740,000
104			
105	ODU	Improvements: Batten Arts & Letter Building	9,192,000
106			
107	ODU	New Construction: Tri Cities Center	5,700,000
108			
109	ODU	Improvements: Chemistry Building	1,500,000
110			
111	ODU	Improvements: Campus Infrastructure	4,000,000
112			
113	RBC	Improvements: Art Building	1,000,000
114			

115	RBC	Improvements: Library	3,000,000
116			
117	RU	New Construction: Fine Arts Facility	18,214,000
118			
119	RU	Improvements: Porterfield Hall	1,232,000
120			
121	RU	Improvements: Davis Hall	1,399,000
122			
123	RU	Improvements: Campus Infrastructure	4,000,000
124			
125	UVA	New Construction: Medical Research Building	23,500,000
126			
127	UVA	New Construction: Engineering Research Center	6,300,000
128			
129	UVA	Improvements: Cocke Hall	5,000,000
130			
131	UVA	Improvements: Fayerweather Hall	4,600,000
132			
133	UVA	Improvements: Campbell Hall Chiller Replacement	2,300,000
134			
135	UVA	Improvements: Storm Water Mgmt, McCormick Rd & West	1,400,000
136			
137	UVA	Improvements: Gilmer Hall Laboratories	3,400,000
138			
139	UVA Wise	Improvements: Crockett Hall	4,325,000
140			
141	UVA Wise	Improve/New const: Drama Renovation and Addition	6,490,000
142			
143	UVA Wise	Improvements: Safety Projects	2,000,000
144			
145	VCCS	System Improvements: Major Mechanical	7,639,475
146			
147	VCCS VWCC	Improvements: South Campus	3,140,000
148			
149	VCCS JTCC	Improvements: Instructional Lab Renovations	5,019,000
150			
151	VCCS JSRCC	Improve/New Const: Parham Road, Phase IV	12,700,000
152			
153	VCCS WCC	Improvements: Instructional Bldgs Renovation	2,328,000
154			
155	VCCS LFCC	Improve/New Const: Science Laboratory Building	5,437,000
156			
157	VCCS NVCC	Improve/New Const: Alexandria, Phases I, II and III 11,	205,000
158			
159	VCCS TCC	New Construction: Academic Building Virginia Beach	12,992,000
160			
161	VCCS RCC	Improvements: Tech & Workforce Develop Renovation	1,750,000
162			
163	VCCS TNCC	Improvements: ISS Related Campus Renovation	2,204,000
164			
165	VCCS PHCC	Improvements: LRC Renovation	1,183,000
166			
167	VCCS TNCC	Improvements: Exterior Door/Window Replacement	978,000
168			
169	VCCS SWVCC	Improve/New Const: Learning Resource Building	5,841,000
170			

171	VCCS BRCC New Construction: Performing Arts & Humanities Bldg	4,945,000
172		
173	VCCS ESCC New Construction: Economic Development Center	2,620,000
174		
175	VCCS GCC New Construction: Economic Development Center	6,500,000
176		
177	VCCS CVCC New Construction: Manufacturing Technologies Bldg	4,400,000
178		
179	VCCS System New Construction: Maintenance Support Buildings	4,916,000
180		
181	VCCS DCC Improvements: Campus Renovations	1,000,000
182		
183	VCCS DSLCC Improvements: Campus Renovations	1,000,000
184		
185	VCCS JTCC Improvements: Access Road	1,000,000
186		
187	VCCS MECC Improvements: Campus Renovations	1,000,000
188		
189	VCCS NRCC Improvements: Campus Renovations	1,000,000
190		
191	VCCS NVCC Improvements: Campus Renovations (Annandale)	3,800,000
192		
193	VCCS NVCC Improvements: Campus Renovations (Woodbridge)	1,500,000
194		
195	VCCS PDCCC Improvements: Campus Renovations	1,000,000
196		
197	VCCS PVCC Improvements: Campus Renovations	3,400,000
198		
199	VCCS RCC Improvements: Campus Renovations	1,000,000
200		
201	VCCS VHCC Improvements: Campus Renovations	1,000,000
202		
203	VCCS VWCC Improvements: Webber Hall	3,000,000
204		
205	VCCS SSVCC New Construction: Ft. Pickett Heavy Equipment Program	2,000,000
206		
207	VCE&RS New Construction: Agriculture & Forestry Research Lab	22,593,000
208		
209	VCU Improvements: West Hospital Renovations	13,000,000
210		
211	VCU Improvements: Classroom and Libraries Renovations	5,000,000
212		
213	VCU New Construction: Massey Cancer Center Addition	10,099,000
214		
215	VCU Improvements: Hibbs Building Renovations	9,000,000
216		
217	VCU New Construction: Engineering Building, Phase II	10,000,000
218		
219	VCU Improvements: Lecture Hall	1,246,000
220		
221	VCU Improvements: Franklin Terrace	3,463,000
222		
223	VCU Improvements: Stark House	521,000
224		
225	VCU Improvements: White House	1,277,000
226		
227	VIMS Improvements: Replace Brooke/Davis Halls with	

228			
229	New Science Bldg		13,028,000
230			
231	VIMS New Construction: Sea Water Research Laboratory		8,063,000
232			
233	VMI Improvements: Nichols Engineering Building		16,227,000
234			
235	VPI New Construction: Bioinformatics Building, Phase II		20,330,000
236			
237	VPI Improvements: Henderson Hall		6,117,000
238			
239	VPI New Construction: Biology Building		9,000,000
240			
241	VPI Improvements: Instructional Classroom, Phase I		7,270,000
242			
243	VPI New Construction: Engineering Bldg.		10,000,000
244			
245	VPI Improvements: Cowgill Hall HVAC and Power Renovation		4,959,000
246			
247	VPI New Construction: Building Construction Facility Increase		2,500,000
248			
249	VSU Improvements: Handicapped Accessibility		643,000
250			
251	VSU Improvements: Gandy Hall		5,771,000
252			
253	VSU Improvements: Campus Infrastructure		3,000,000
254			
255	VSU Improvements: Central Stores Into Police Safety		1,202,000
256			
257	VSU Improvements: Daniels Gym		11,900,000
258			
259	VSU Improvements: Lindsay Montague		4,145,000
260			
261	Frontier Culture Improvements: Preservation Building		867,500
262			
263	Frontier Culture New Construction: Visitors Center Expansion		11,000,000
264			
265	Jamestown Yorktown New Construction: Parking Lot / Entrance		5,269,000
266			
267	Jamestown Yorktown Improvements: Maintenance Building		487,000
268			
269	Jamestown Yorktown New Construction: Riverfront Center		1,533,000
270			
271	Jamestown Yorktown New Construction: Jamestown Fort		1,367,000
272			
273	Jamestown Yorktown New Construction: Jamestown Galleries		11,741,000
274			
275	Museum of Natural History New Construction: New Museum		15,200,000
276			
277	Science Museum New Construction: Belmont Bay		37,000,000
278			
279	Science Museum New Construction: Danville Museum		2,300,000
280			
281	Museum of Fine Arts New Construction: Parking Deck		8,388,000
282			
283	Museum of Fine Arts Renovation & Addition for Museum Galleries		28,000,000

284
285 Grand Totals All Tax Supported Debt \$803,703,975
286

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

289 *Upon the request of the governing board of an educational institution, the Governor or the*
290 *Governor's designee may increase or decrease the allocation to any capital project for such institution,*
291 *within the total amount allocated to capital projects for such institution. To the extent that the cost of*
292 *any capital project is less than the amount allocated to such capital project, the Governor or the*
293 *Governor's designee may increase the amount allocated to any other capital project included herein. No*
294 *allocation to a capital project may be increased until it has been demonstrated to the satisfaction of the*
295 *Governor or the Governor's designee that (i) the cost of the capital project has been reduced to the*
296 *extent reasonable, (ii) the capital project has not been expanded or enhanced beyond that originally*
297 *approved, and (iii) the capital project is suitable and adequate for the scope originally intended. No*
298 *increase in the amount allocated to any capital project shall constitute an authorization for the issuance*
299 *of bonds in an amount in excess of the aggregate amount authorized hereunder.*

300 *§ 4. Application of Proceeds. Proceeds (including any premium) of the bonds and any BANs (except*
301 *the proceeds of (i) bonds the issuance of which has been anticipated by BANs, (ii) refunding bonds, and*
302 *(iii) refunding BANs) shall be deposited by the State Treasurer in a special capital outlay fund in the*
303 *state treasury and shall be disbursed only for the purpose for which the bonds or any BANs have been*
304 *issued. In the event that the proceeds of the bonds or BANs exceed the cost of the projects specified in*
305 *§ 3, the Treasury Board shall cause such excess proceeds to be applied to the retirement of the bonds*
306 *or BANs. The proceeds of (i) bonds the issuance of which has been anticipated by BANs, (ii) refunding*
307 *bonds, and (iii) refunding BANs, and any funds provided by the General Assembly, or available from*
308 *any other source, for the purpose, shall be used to pay such BANs, refunded bonds and refunded BANs.*

309 *The proceeds of the bonds and any refunding bonds or BANs are hereby appropriated for*
310 *disbursement from the state treasury for the current biennium pursuant to Article X, Section 7 of the*
311 *Constitution of Virginia, and § 2.1-224 of the Code of Virginia. The general conditions and general*
312 *provisions of the general appropriation act enacted pursuant to Chapter 27 (§ 2.1-387 et seq.) of Title*
313 *2.1 of the Code of Virginia, in effect from time to time, and all of the terms and conditions contained*
314 *therein shall apply to the capital projects listed in § 3. The Governor or his designee is hereby*
315 *authorized to increase the appropriation for any project listed in § 3 by the amount of the proceeds of*
316 *donations, gifts, grants or other nongeneral funds paid into the state treasury in excess of such*
317 *appropriation.*

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

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

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

341 *In the discretion of the Treasury Board, bonds and BANs may be issued at one time or in part from*
342 *time to time and may be issued and sold at the same time with other general obligation bonds and bond*
343 *anticipation notes, respectively, of the Commonwealth authorized pursuant to Article X, Section 9 (a)(3),*
344 *(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 is 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 has 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

406 *the Code of Virginia, relating to special elections. The ballots to be used at the election shall pose the*
407 *question in substantially the following form:*

408 *QUESTION: Shall Chapter. . ., Acts of the General Assembly of 2001, authorizing the issuance of*
409 *general obligation bonds of the Commonwealth of Virginia in the maximum amount of \$803,703,975*
410 *pursuant to Article X, Section 9 (b) of the Constitution of Virginia for capital projects for HIGHER*
411 *EDUCATION AND RELATED FACILITIES, take effect?*

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

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

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

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