

2001 SESSION

INTRODUCED

010045724

HOUSE BILL NO. 2619

Offered January 10, 2001

A *BILL* authorizing the issuance of Commonwealth of Virginia Cultural Facilities Bonds in an amount not exceeding \$90,100,000 for the purpose of financing, together with any other available funds, the cost of capital projects consisting of constructing, maintaining, restoring, repairing, improving, and refurbishing the physical plants including incidental equipment, of cultural, historic, artistic, and educational facilities; authorizing the Treasury Board, by and with the consent of the Governor, to fix the details of such bonds and to provide for the sale of the bonds; authorizing the Treasury Board, by and with the consent of the Governor, to borrow money in anticipation of the issuance of the bonds; authorizing the issuance of refunding bonds, by and with the consent of the Governor; providing for the pledge of the full faith and credit of the Commonwealth for the payment of such obligations; providing that the bonds shall be exempt from all taxation by the Commonwealth and any political subdivision thereof; and providing that this act shall not become effective and that no bonds shall be issued hereunder unless this act is approved by a majority of the qualified voters of the Commonwealth voting thereon at an election, as required by Article X, Section 9 (b) of the Constitution of Virginia.

Patrons—Diamonstein, Baskerville, Brink, Hull, Jones, J.C., McEachin, Scott and Van Landingham

Referred to Committee on Finance

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

Whereas, these cultural, historic, artistic, and educational facilities lack adequate funding; now, therefore

Be it enacted by the General Assembly of Virginia:

1. § 1. *Title.* This act shall be known and may be cited as the "Commonwealth of Virginia Cultural Facilities Bond Act of 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 Cultural Facilities Bonds, Series...", in an aggregate principal amount not exceeding \$90,100,000. The Treasury Board is further authorized, by and with the consent of the Governor, to borrow money in anticipation of the issuance of the bonds by the issuance of bond anticipation notes ("BANs"), including BANs as commercial paper.

§ 3. *Purpose; Projects.* The proceeds of the bonds and BANs, excluding amounts needed to pay issuance costs and other financing expenses, shall be used as provided in § 4 for constructing, maintaining, restoring, repairing, improving, and refurbishing the physical plants including incidental equipment for certain cultural, historic, artistic, and educational facilities listed as follows:

Facility	2001-2003
Amazement Square in Lynchburg	\$1,000,000
Artisans Center of Virginia at Waynesboro	\$1,000,000
Barksdale Theatre	\$ 500,000
Black History Museum	\$1,000,000
Blue Ridge Zoological Park	\$ 500,000
Center in the Square	\$1,000,000

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57	<i>Chesapeake Arts Center</i>	<i>\$1,000,000</i>
58		
59	<i>Children's Museum of Richmond</i>	<i>\$2,000,000</i>
60		
61	<i>Children's Museum of Virginia</i>	<i>\$3,000,000</i>
62		
63	<i>Chrysler Museum</i>	<i>\$1,000,000</i>
64		
65	<i>Constant's Wharf, City of Suffolk</i>	<i>\$2,000,000</i>
66		
67	<i>Crispus Attucks Cultural Center</i>	<i>\$1,000,000</i>
68		
69	<i>Downing-Gross Cultural Center</i>	<i>\$1,500,000</i>
70		
71	<i>Fairfax County Museum of History and Technology</i>	<i>\$1,000,000</i>
72		
73	<i>Hampton History Museum</i>	<i>\$2,000,000</i>
74		
75	<i>Hampton University-Raytheon Aerospace Center</i>	<i>\$1,000,000</i>
76		
77	<i>Henricus Historical Park</i>	<i>\$3,000,000</i>
78		
79	<i>Holiday Lake 4-H Center</i>	<i>\$1,000,000</i>
80		
81	<i>Holocaust Museum</i>	<i>\$1,000,000</i>
82		
83	<i>John Marshall House</i>	<i>\$ 600,000</i>
84		
85	<i>Kenmore</i>	<i>\$1,000,000</i>
86		
87	<i>Lynchburg Academy of Music</i>	<i>\$ 500,000</i>
88		
89	<i>Maggie Walker Building</i>	<i>\$5,000,000</i>
90		
91	<i>Marine Observation Tower and Oriental Garden</i>	<i>\$ 500,000</i>
92		
93	<i>Mariners Museum</i>	<i>\$2,000,000</i>
94		
95	<i>Matthew Fontaine Maury Center</i>	<i>\$1,000,000</i>
96		
97	<i>Maymont Foundation</i>	<i>\$2,000,000</i>
98		
99	<i>Montpelier</i>	<i>\$1,000,000</i>
100		
101	<i>Morotock Center Foundation, Inc.</i>	<i>\$2,000,000</i>
102		
103	<i>National D-Day Museum Foundation, Inc.</i>	<i>\$2,000,000</i>
104		
105	<i>Peninsula Fine Arts Center</i>	<i>\$2,000,000</i>
106		
107	<i>Phoebus Art Center</i>	<i>\$ 500,000</i>
108		
109	<i>Poplar Forest</i>	<i>\$1,000,000</i>
110		
111	<i>Richmond Ballet</i>	<i>\$1,000,000</i>
112		
113	<i>Richmond Historic Riverfront Canal Walk</i>	<i>\$1,000,000</i>

Robert E. Lee Memorial Foundation for Stratford Hall	\$1,000,000
Schooner Virginia Project	\$3,500,000
Science Museum of Virginia	\$4,000,000
Science Museum of Western Virginia	\$1,000,000
Theatre Four	\$1,000,000
Virginia Air and Space Center	\$1,000,000
Virginia Living Museum	\$4,000,000
Virginia Marine Science Museum	\$2,000,000
Virginia Museum of Fine Arts	\$5,000,000
Virginia Museum of Natural History	\$10,000,000
Virginia Museum of Transportation	\$ 500,000
Virginia Quality Life	\$1,000,000
Virginia Recreational Facilities Authority	\$1,000,000
Virginia Zoological Park	\$3,000,000
Warren County Courthouse	\$ 500,000
Wolf Trap Foundation for the Performing Arts	\$2,000,000
Woodrow Wilson Birthplace Foundation	\$1,000,000
Total	\$90,100,000

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

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

§ 4. Application of Proceeds. Proceeds (including any premium) of the bonds and any BANs (except 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

172 bonds and (iii) refunding BANs, and any funds provided by the General Assembly or available from any
173 other source, for the purpose, shall be used to pay such BANs, refunded bonds and refunded BANs.

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

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

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

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

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

222 § 6. Refunding. The Treasury Board is hereby authorized, by and with the consent of the Governor,
223 to sell and issue, at one time or from time to time, refunding bonds and BANs of the Commonwealth, to
224 refund any or all of the bonds and BANs, respectively, issued under this act or otherwise pursuant to
225 Article X, Section 9 (b), of the Constitution of Virginia. Refunding bonds and BANs may be issued in a
226 principal amount up to the amount necessary to pay at maturity or redeem the bonds and BANs to be
227 refunded and pay all issuance costs and other financing expenses of the refunding. Such refunding
228 bonds and BANs may be issued whether or not the bonds or BANs to be refunded are then subject to
229 redemption. Any escrow or trust fund established with the proceeds from the sale of refunding bonds
230 shall be irrevocably pledged to the payment of the bonds to be refunded, and shall be used solely to pay
231 such bonds or BANs at maturity or upon redemption or for the purchase of not less than all of the
232 bonds or BANs to be refunded. Any such escrow or trust fund shall constitute a special fund for the
233 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 (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 has 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 (§ 24.2-100 et seq.) 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 \$90,100,000 pursuant to Article X, Section 9 (b) of the Constitution of Virginia for capital projects for CULTURAL 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 that are held invalid shall not affect the validity of other provisions or applications of this act that can be given effect without the invalid provisions or applications.

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