

023276660

HOUSE BILL NO. 99**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the House Committee on Appropriations
on February 1, 2002)

(Patron Prior to Substitute—Delegate Callahan)

A BILL authorizing the issuance of Commonwealth of Virginia General Obligation Bonds in an amount not exceeding \$900,488,645 for the purpose of financing the cost of capital projects for educational facilities; authorizing the Treasury Board, by and with the consent of the Governor, to fix the details of the 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 interest income 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. § 1. Title. This act shall be known and may be cited as the "Commonwealth of Virginia Educational Facilities Bond Act of 2002."

§ 2. Authorization of Bonds and BANs. The authorization to issue bonds hereunder is subject to the following conditions. First, there shall be a favorable vote of a majority of the qualified voters voting on this act at the November 5, 2002, general election as hereinafter provided;

Secondly, the Governor shall prepare and release a plan to the chairmen of the Senate Finance Committee and House Appropriations Committee on or before December 1, 2002, detailing a process whereby the Secretary of Finance, in conjunction with the Secretaries of Administration and Education, shall administer the orderly issuance of the bonds hereunder authorized in order to provide the funding required to execute the capital projects identified in this bill, including the following:

a) Development of processes to expedite the capital outlay review process as set forth in § 2.2-1132 of the Code of Virginia; and

b) Development of detailed draw schedules, to the extent practicable, for projects and for the approval of such draw schedules with due consideration given to the long-term capacity of the Commonwealth to open and operate such completed capital projects. Included in such approval shall be an estimate of the net additional costs of staffing and equipping such projects.

Thereafter, 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 General Obligation Bonds, Series...", in an aggregate principal amount not exceeding \$900,488,645. 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 issued 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 educational facilities as follows:

Educational Facility	Project Description	Amount
Christopher Newport		
University	Renovate/Expand Technology Center/Library	\$11,333,000
Christopher Newport		
University	Convert Student Center to Academic Space	6,357,000

59			
60	Christopher Newport		
61			
62	University	Renovate/Expand Gosnold Hall	5,798,000
63			
64	Christopher Newport		
65			
66	University	Construct Warehouse	
67			
68		and Grounds Building	1,300,000
69			
70	Christopher Newport		
71			
72	University	Renovate Ferguson Hall-Plant,	
73			
74		Classrooms and Art	1,000,000
75			
76	The College of William		
77			
78	and Mary	Renovate/Expand Marshall-	
79			
80		Wythe Law Library	11,821,000
81			
82	The College of William		
83			
84	and Mary	Renovate Andrews Hall	5,415,000
85			
86	The College of William		
87			
88	and Mary	Renovate Small Hall	13,583,000
89			
90	The College of William		
91			
92	and Mary	Renovate Lake Matoaka	2,500,000
93			
94	George Mason University	Construct Academic II -	
95			
96		Arlington	30,954,000
97			
98	George Mason University	Renovate Thompson, West	
99			
100		and Pohick	12,693,000
101			
102	George Mason University	Construct Academic V-Fairfax	21,898,000
103			
104	George Mason University	Construct Fairfax Research I	8,190,500
105			
106	George Mason University	Improve Handicapped	
107			
108		Accessibility	1,900,000
109			
110	George Mason University	Upgrade Utility Infrastructure	2,926,000
111			
112	George Mason University	Renovate Conflict Analysis	1,000,000
113			
114		Facility	
115			

116	James Madison University	Renovate Steam Infrastructure	3,978,000
117			
118	James Madison University	Improve Handicapped	
119			
120		Accessibility	1,780,000
121			
122	James Madison University	Renovate Harrison Hall &	
123			
124		Annex	9,732,700
125			
126	James Madison University	Construct Center for the Arts	29,808,900
127			
128	James Madison University	Construct Music Recital Hall	20,900,000
129			
130	James Madison University	Construct Library, CISAT	
131			
132		Campus	19,792,600
133			
134	James Madison University	Renovate Miller Hall	13,927,700
135			
136	Longwood College	Construct Bedford Wygal	
137			
138		Connector	7,256,000
139			
140	Longwood College	Renovate Jarman Auditorium	4,731,000
141			
142	Mary Washington College	Renovate/Alter Portions of	
143			
144		Four Academic Buildings	2,242,000
145			
146	Mary Washington College	Renovate/Expand Lee Hall	10,432,000
147			
148	Mary Washington College	Renovate Dodd Auditorium	
149			
150		and Klein Theater	1,725,000
151			
152	Mary Washington College	Renovate Monroe Hall	4,035,000
153			
154	Norfolk State University	Upgrade HVAC Systems	2,847,366
155			
156	Norfolk State University	Construct RISE Center	18,000,000
157			
158	Norfolk State University	Renovate Robinson Tech	
159			
160		Building	500,000
161			
162	Old Dominion University	Renovate Technology Building	9,158,050
163			
164	Old Dominion University	Renovate Batten Arts &	
165			
166		Letters	9,631,552
167			
168	Old Dominion University	Construct Physical Science	
169			
170		Building, Phase II	13,000,000
171			

172	Old Dominion University	Construct Tri-Cities Higher	
173			
174		Education Center	6,149,200
175			
176	Old Dominion University	Renovate Hughes Hall	5,600,000
177			
178	Old Dominion University	Renovate Chemistry Building	731,000
179			
180	Radford University	Construct Fine Arts Center	19,350,000
181			
182	Radford University	Renovate Young Hall	4,716,000
183			
184	Radford University	Renovate Davis Hall	1,851,000
185			
186	Radford University	Upgrade/Construct Stormwater	
187			
188		Management/Access Road	500,000
189			
190	Radford University	Renovate Russell Hall	1,000,000
191			
192	University of Virginia	Construct Medical Research	
193			
194		Bldg (MR-6)	24,235,000
195			
196	University of Virginia	Construct Materials Sci.	
197			
198		Eng. & Nano-Technology	
199			
200		Building	7,000,000
201			
202	University of Virginia	Upgrade Cavalier Substation	4,700,000
203			
204	University of Virginia	Construct Engineering/Science	
205			
206		Chiller Plant	4,800,000
207			
208	University of Virginia	Renovate Fayerweather Hall	4,600,000
209			
210	University of Virginia	Renovate Gilmer Hall	
211			
212		Teaching Laboratories	5,700,000
213			
214	University of Virginia	Upgrade Storm Water	
215			
216		Management, McCormick & North	1,400,000
217			
218	University of Virginia	Construct Arts and	
219			
220		Sciences Building	14,284,000
221			
222	University of Virginia	Construct Campbell Hall	
223			
224		Chiller Replacement	1,600,000
225			
226	University of Virginia -		
227			
228	Wise	Upgrade/Construct Stormwater	

229			
230		Management/Access Road	2,000,000
231			
232	University of Virginia -		
233			
234	Wise	Renovate/Expand Drama	
235			
236		Building	7,475,000
237			
238	Virginia Commonwealth		
239			
240	University	Renovate West Hospital/	
241			
242		G.B. Johnston	14,308,000
243			
244	Virginia Commonwealth		
245			
246	University	Construct Massey	
247			
248		Cancer Center Addition	10,099,000
249			
250	Virginia Commonwealth		
251			
252	University	Construct Medical Sciences	
253			
254		Building Phase II	22,550,000
255			
256	Virginia Commonwealth		
257			
258	University	Renovate Sanger Research	
259			
260		Laboratory, Phase I	7,899,000
261			
262	Virginia Commonwealth		
263			
264	University	Renovate Hibbs Bldg	8,766,000
265			
266	Virginia Commonwealth		
267			
268	University	Renovate Music Center	3,407,000
269			
270	Virginia Commonwealth		
271			
272	University	Construct School of	
273			
274		Engineering Phase II	6,200,000
275			
276	Virginia Commonwealth		
277			
278	University	Renovate Franklin Terrace	3,524,000
279			
280	Virginia Military		
281			
282	Institute	Renovate Nichols Engineering	
283			
284		Building	13,514,000

285			
286	Virginia Military		
287			
288	Institute	Renovate Mallory Hall	9,106,000
289			
290	Virginia Tech	Renovate Williams, Agnew,	
291			
292		Burrus	5,451,856
293			
294	Virginia Tech	Construct Main Campus Chilled	
295			
296		Water Central Plant	2,800,000
297			
298	Virginia Tech	Improve/Expand Fine Arts	
299			
300		Center and Renovate	
301			
302		Henderson Hall	6,542,000
303			
304	Virginia Tech	Construct New Engineering	
305			
306		Facility (VTRI Phase I)	13,996,000
307			
308	Virginia Tech	Construct Biology Building	14,263,000
309			
310	Virginia Tech	Construct New Vivarium	
311			
312		Facility	12,000,000
313			
314	Virginia Tech	Classroom Improvements,	
315			
316		Phase I	4,530,000
317			
318	Virginia Tech	Construct Building	
319			
320		Construction Facility	2,500,000
321			
322	Virginia Tech	Renovate Litton Reaves Hall	
323			
324		and Exterior Structural	
325			
326		Repairs	2,500,000
327			
328	Virginia Tech	Renovate Cowgill Hall HVAC	
329			
330		and Power	7,500,000
331			
332	Virginia State University	Construct New Academic	
333			
334		Science & Technology Building	17,711,000
335			
336	Virginia State University	Renovate Gandy Hall	4,561,000
337			
338	Richard Bland College	Renovate Library	2,650,000
339			
340	Richard Bland College	Renovate & Expand Art Bldg	800,000
341			

342	Virginia Community		
343			
344	College System	Major Mechanical Systems,	
345			
346		Systemwide	7,684,000
347			
348	Virginia Community		
349			
350	College System	Renovate Science Building,	
351			
352		Northern Va. (Annandale)	8,500,000
353			
354	Virginia Community		
355			
356	College System	South Campus Renovation,	
357			
358		Virginia Western	2,192,500
359			
360	Virginia Community		
361			
362	College System	Renovate Instructional Labs,	
363			
364		John Tyler	5,250,000
365			
366	Virginia Community		
367			
368	College System	Alexandria Phase III,	
369			
370		Renovate Phases I & II,	
371			
372		Northern Va.	15,947,320
373			
374	Virginia Community		
375			
376	College System	Construct Historic Triangle	
377			
378		Campus, Thomas Nelson	17,653,861
379			
380	Virginia Community		
381			
382	College System	Construct Sciences Building	
383			
384		I, Tidewater (Virginia Beach)	11,330,000
385			
386	Virginia Community		
387			
388	College System	Renovate Campus Post ISS	
389			
390		Bldg Construction,	
391			
392		Thomas Nelson	3,548,000
393			
394	Virginia Community		
395			
396	College System	Renovate LRC/West Hall,	
397			

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398		Patrick Henry	3,439,300
399			
400	Virginia Community		
401			
402	College System	Replace Exterior Doors	
403			
404		and Windows, Thomas Nelson	974,000
405			
406	Virginia Community		
407			
408	College System	Renovate CN & CT Buildings,	
409			
410		Northern Virginia (Annandale)	4,127,000
411			
412	Virginia Community		
413			
414	College System	Construct Learning Resources	
415			
416		Building, Southwest Virginia	5,840,000
417			
418	Virginia Community		
419			
420	College System	Construct Fine and	
421			
422		Performing Arts Program	
423			
424		Building, Blue Ridge	5,092,000
425			
426	Virginia Community		
427			
428	College System	Construct Addition To HVAC	
429			
430		Building, Northern Va.	
431			
432		(Woodbridge)	1,175,000
433			
434	Virginia Community		
435			
436	College System	Portsmouth Campus Relocation,	
437			
438		Tidewater	25,000,000
439			
440	Virginia Community		
441			
442	College System	Renovate/Expand Webber Hall,	
443			
444		Virginia Western	3,500,000
445			
446	Virginia Community		
447			
448	College System	Renovate Classrooms & Labs,	
449			
450		Southside (Christanna)	1,100,000
451			
452	Virginia Community		
453			
454	College System	Renovate Classrooms & Labs,	

455			
456		Southside (Daniel)	1,100,000
457			
458	Virginia Community		
459			
460	College System	Upgrade ADA Accessibility,	
461			
462		Systemwide	5,000,000
463			
464	Virginia Community		
465			
466	College System	Renovate Paul D. Camp	
467			
468		(Franklin)	500,000
469			
470	Virginia Community		
471			
472	College System	Renovate Unsafe & Obsolete	
473			
474		Facilities, D. S. Lancaster	2,025,000
475			
476	Virginia Community		
477			
478	College System	Replace Greenhouses,	
479			
480		Northern Va. (Loudoun)	450,000
481			
482	Virginia Community		
483			
484	College System	Upgrade Main Academic Building	
485			
486		Fire Suppression System,	
487			
488		Piedmont	235,000
489			
490	Virginia Community		
491			
492	College System	Expand Computing Services,	
493			
494		New River	300,000
495			
496	Virginia Community		
497			
498	College System	Construct William F. Snyder	
499			
500		Auditorium, Wytheville	543,080
501			
502	Virginia Community		
503			
504	College System	Construct Science & Technology	
505			
506		Building, Piedmont	5,000,500
507			
508	Virginia Community		
509			
510	College System	Construct Workforce Training	

511			
512		& Technology Center,	
513			
514		J.S. Reynolds	3,138,200
515			
516	Virginia Community		
517			
518	College System	Construct Business Dev.	
519			
520		& Workforce Training Ctr.,	
521			
522		Eastern Shore	2,347,000
523			
524	Virginia Community		
525			
526	College System	Construct Advanced Tech. and	
527			
528		Workforce Dev. Ctr., Germanna	
529			
530		(Culpeper)	5,555,000
531			
532	Virginia Community		
533			
534	College System	Construct Workforce Services	
535			
536		Dev. Ctr., Lord Fairfax	
537			
538		(Middletown)	2,340,000
539			
540	Virginia Community		
541			
542	College System	Construct Regional Automotive	
543			
544		Tech./Workforce Dev. Ctr,	
545			
546		Tidewater	3,262,000
547			
548	Virginia Community		
549			
550	College System	Construct Maintenance	
551			
552		Building, Danville	839,000
553			
554	Virginia Community		
555			
556	College System	Construct Maintenance-Service	
557			
558		Building, Southside (Daniel)	464,480
559			
560	Virginia Community		
561			
562	College System	Construct Maintenance	
563			
564		Building, Blue Ridge	491,000
565			
566	Virginia Community		
567			

568	College System	Construct Maintenance and	
569			
570		Storage Building, Germanna	
571			
572		(Locust Grove)	517,000
573			
574	Virginia Community		
575			
576	College System	Construct Maintenance-Service	
577			
578		Building, Southside	
579			
580		(Christanna)	464,480
581			
582	Virginia Community		
583			
584	College System	Construct Maintenance Services	
585			
586		Building, New River	517,000
587			
588	Virginia Community		
589			
590	College System	Construct Maintenance Services	
591			
592		Building, Mountain Empire	564,000
593			
594	Virginia Community		
595			
596	College System	Construct Maintenance Services	
597			
598		Building, Rappahannock (Glenns)	463,000
599			
600	Virginia Community		
601			
602	College System	Construct Maintenance Services	
603			
604		Building, Southwest Virginia	545,000
605			
606	Virginia Community		
607			
608	College System	Construct Facilities	
609			
610		Maintenance Building,	
611			
612		Central Virginia	485,500
613			
614	Virginia Institute		
615			
616	of Marine Science	Construct Marine Research	
617			
618		Bldg Complex	23,692,000
619			
620	Virginia Institute		
621			
622	of Marine Science	Construct Research Storage	
623			

624		Facility	641,000
625			
626	VPI Coop. Ext./		
627			
628	Agriculture Exp.		
629			
630	Station	Construct Agriculture and	
631			
632		Natural Resources Research	
633			
634		Laboratory Facility	23,168,000
635			
636	Southwest Virginia		
637			
638	Higher Ed. Center	Construct Addition to	
639			
640		Southwest Va. Higher Ed.	
641			
642		Center	1,900,000
643			
644	Jamestown-Yorktown		
645			
646	Foundation	Renovate/Expand Jamestown	
647			
648		Powhatan Village	1,694,000
649			
650	Jamestown-Yorktown		
651			
652	Foundation	Construct Central Support	
653			
654		Complex	5,219,000
655			
656	Jamestown-Yorktown		
657			
658	Foundation	Construct Jamestown Riverfront	
659			
660		Support Area	1,722,000
661			
662	Jamestown-Yorktown		
663			
664	Foundation	Construct Jamestown Entrance	
665			
666		Plaza, Parking Lots and	
667			
668		Roadways	5,598,000
669			
670	Jamestown-Yorktown		
671			
672	Foundation	Construct Jamestown	
673			
674		Maintenance Building	711,000
675			
676	Science Museum of		
677			
678	Virginia	Construct Belmont Bay	
679			
680		Science Center	5,000,000

681			
682	Science Museum of		
683			
684	Virginia	Renovate Planetarium/IMAX	
685			
686		Theater Sprinklers	2,000,000
687			
688	Science Museum of		
689			
690	Virginia	Renovate/Expand Danville	
691			
692		Science Center	3,679,000
693			
694	Virginia Museum of		
695			
696	Fine Arts	Renovate/Expand Museum	28,000,000
697			
698	Frontier Culture Museum	Construct Maintenance	
699			
700		Facility	950,000
701			
702	Grand Total		\$900,488,645
703			
704			

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

707 To the extent that the cost of any capital project listed above is less than the amount allocated to
708 such project, the Governor or the Governor's designee may increase the amount allocated to any other
709 capital project listed above. No such allocation to a capital project may be increased, however, until it
710 has been demonstrated to the satisfaction of the Governor or the Governor's designee that (a) the cost
711 of the capital project has been reduced to the extent reasonable, (b) the capital project has not been
712 expanded or enhanced beyond that originally approved, and (c) the capital project is suitable and
713 adequate for the scope originally intended. No increase in the amount allocated to any capital project
714 shall constitute an authorization for the issuance of bonds in an amount in excess of the aggregate
715 amount authorized hereunder.

716 § 4. Application of Proceeds. Proceeds (including any premium) of the bonds and any BANs (except
717 the proceeds of (i) bonds the issuance of which has been anticipated by BANs, (ii) refunding bonds and
718 (iii) refunding BANs) shall be deposited by the State Treasurer in a special capital outlay fund in the
719 State Treasury and shall be disbursed only for the purpose for which the bonds or any BANs have been
720 issued. In the event that the proceeds of the bonds or BANs exceed the cost of the projects specified in
721 § 3, the Treasury Board shall cause such excess proceeds to be applied to the retirement of the bonds
722 or BANs. The proceeds of (i) bonds the issuance of which has been anticipated by BANs, (ii) refunding
723 bonds and (iii) refunding BANs and any funds provided by the General Assembly, or available from any
724 other source, for the purpose, shall be used to pay such BANs, refunded bonds and refunded BANs.

725 The proceeds of the bonds and any refunding bonds or BANs are hereby appropriated for
726 disbursement from the state treasury for the current biennium pursuant to Article X, Section 7 of the
727 Constitution of Virginia, and § 2.2-1819 of the Code of Virginia. The general conditions and general
728 provisions of the general appropriation act enacted pursuant to Chapter 15 (§ 2.2-1500 et seq.) of Title
729 2.2 of the Code of Virginia, in effect from time to time, and all of the terms and conditions contained
730 therein shall apply to the capital projects listed in § 3. The Governor or his designee is hereby
731 authorized to increase the appropriation for any project listed in § 3 by the amount of the proceeds of
732 donations, gifts, grants or other nongeneral funds paid into the state treasury in excess of such
733 appropriation.

734 § 5. Details, sale of bonds and BANs. The bonds shall be dated, shall mature at such time or times
735 not exceeding twenty-five years from their date or dates and may be made redeemable before their
736 maturity or maturities at such price or prices or within such price parameters, all as may be determined
737 by the Treasury Board, by and with the consent of the Governor. The principal of the bonds shall be
738 amortized by payment into a sinking fund or otherwise, in annual installments. The first annual
739 installment of principal of the bonds shall become due not later than one-tenth of the term of the bonds,

740 and no installment of principal of the bonds shall be more than twice the smallest previous installment.
741 Any such sinking fund shall not be appropriated for any other purpose.

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

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

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

773 § 6. Refunding. The Treasury Board is hereby authorized, by and with the consent of the Governor,
774 to sell and issue, at one time or from time to time, refunding bonds and BANs of the Commonwealth, to
775 refund any or all of the bonds and BANs, respectively, issued under this act or otherwise pursuant to
776 Article X, Section 9(b), of the Constitution of Virginia. Refunding bonds and BANs may be issued in a
777 principal amount up to the amount necessary to pay at maturity or redeem the bonds and BANs to be
778 refunded and pay all issuance costs and other financing expenses of the refunding. Such refunding
779 bonds and BANs may be issued whether or not the bonds or BANs to be refunded are then subject to
780 redemption. Any escrow or trust fund established with the proceeds from the sale of refunding bonds
781 shall be irrevocably pledged to the payment of the bonds to be refunded, and shall be used solely to pay
782 such bonds or BANs at maturity or upon redemption or for the purchase of not less than all of the
783 bonds or BANs to be refunded. Any such escrow or trust fund shall constitute a special fund for the
784 payment of such refunded bonds or BANs, and such refunded bonds or BANs, to the extent of amounts,
785 including the maturity amounts of investments, set aside for the payment thereof in such escrow or trust
786 fund, shall not be included for the purposes of determining any limitations upon the amount of bonded
787 indebtedness of the Commonwealth that may be incurred pursuant to Article X, Section 9(b), of the
788 Constitution of Virginia. The Treasury Board may, however, direct that the interest received from the
789 investment of the proceeds of the bonds or any BANs be transferred to the general fund of the State
790 Treasury.

791 § 7. Authorized Investments. Pending the application of the proceeds of the bonds or BANs (including
792 refunding bonds and BANs) to the purpose for which they have been authorized and the application of
793 funds set aside for the purpose to the payment of bonds or BANs, they may be invested by the State
794 Treasurer in securities that are legal investments under the laws of the Commonwealth for public funds
795 and sinking funds, as the case may be. Whenever the State Treasurer receives interest from the
796 investment of the proceeds of bonds or any BANs, such interest shall become a part of the principal of
797 the bonds or any BANs and shall be used in the same manner as required for principal of the bonds or
798 BANs.

799 § 8. Security for bonds and BANs. The full faith and credit of the Commonwealth is hereby
800 irrevocably pledged for the payment of the principal of and the interest on bonds, refunding bonds, and
801 (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 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 5, 2002. The referendum shall be supervised and held, notice thereof given, ballots prepared, returns made and certified, votes canvassed and results ascertained and made known, as provided by law. 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 2002, authorizing the issuance of general obligation bonds of the Commonwealth of Virginia in the maximum amount of \$900,488,645 pursuant to Article X, Section 9(b) of the Constitution of Virginia for capital projects for educational facilities, take effect?

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. An educational institution may apply any available nongeneral funds to initiate a project authorized in § 3 hereof, and the appropriations provided for in this act may be used to reimburse such institution for nongeneral funds so applied. Such reimbursement shall be contingent upon the availability of appropriations provided for in this act. Reimbursement shall be made only for projects authorized in § 3 hereof which were supplemented with nongeneral funds on and after January 1, 2002, provided that any such expenditures have received the prior written approval of the Director of the Department of Planning and Budget.

§ 13. 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 Secretary of Finance, in conjunction with the Secretaries of Education and Administration, shall provide to the chairmen of the Senate Finance Committee and House Appropriations Committee, beginning in 2003, by April 1 and September 1 of each year, until such capital projects as are herein authorized are completed, a status report on the projects, including (i) the status of compliance with the expedited capital outlay review process as set forth in the first enactment of this act and § 2.2-1132 of the Code of Virginia; and (ii) the most recent approved draw schedules for the projects included in this act.