

2002 RECONVENED SESSION

HOUSE SUBSTITUTE

028762211

HOUSE BILL NO. 99

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Governor
on April 8, 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 Bond Anticipation Notes (BANs). The authorization to issue bonds hereunder is subject to a favorable vote of a majority of the qualified voters voting on this act at the November 5, 2002, general election as hereinafter provided.

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	5,357,000
Christopher Newport University	Renovate/Expand Gosnold Hall	5,798,000
Christopher Newport University	Renovate Ferguson Hall-Plant, Classrooms and Art	3,300,000
The College of William and Mary	Renovate/Expand Marshall-Wythe Law Library	11,821,000
The College of William and Mary	Renovate Andrews Hall	5,415,000
The College of William and Mary	Renovate Small Hall	13,583,000
The College of William and Mary	Renovate Lake Matoaka	2,500,000

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58			
59	George Mason University	Construct Academic II -	
60			
61		Arlington	30,954,000
62			
63	George Mason University	Renovate Thompson, West	
64			
65		and Pohick	12,693,000
66			
67	George Mason University	Construct Academic V-Fairfax	21,898,000
68			
69	George Mason University	Construct Fairfax Research I	8,190,500
70			
71	George Mason University	Improve Handicapped	
72			
73		Accessibility	1,900,000
74			
75	George Mason University	Upgrade Utility Infrastructure	2,926,000
76			
77	George Mason University	Renovate Conflict Analysis	1,000,000
78			
79		Facility	
80			
81	James Madison University	Renovate Steam Infrastructure	3,978,000
82			
83	James Madison University	Improve Handicapped	
84			
85		Accessibility	1,780,000
86			
87	James Madison University	Renovate Harrison Hall &	
88			
89		Annex	9,732,700
90			
91	James Madison University	Construct Center for the Arts	29,808,900
92			
93	James Madison University	Construct Music Recital Hall	20,900,000
94			
95	James Madison University	Construct Library, CISAT	
96			
97		Campus	19,792,600
98			
99	James Madison University	Renovate Miller Hall	13,927,700
100			
101	Longwood College	Construct Bedford Wygal	
102			
103		Connector	7,256,000
104			
105	Longwood College	Renovate Jarman Auditorium	4,731,000
106			
107	Mary Washington College	Renovate/Alter Portions of	
108			
109		Four Academic Buildings	2,242,000
110			
111	Mary Washington College	Renovate/Expand Lee Hall	10,432,000
112			
113	Mary Washington College	Renovate Dodd Auditorium	
114			

115		and Klein Theater	1,725,000
116			
117	Mary Washington College	Renovate Monroe Hall	4,035,000
118			
119	Norfolk State University	Upgrade HVAC Systems	2,847,366
120			
121	Norfolk State University	Construct RISE Center	18,000,000
122			
123	Norfolk State University	Handicapped Accessibility	
124			
125		Improvements	500,000
126			
127	Old Dominion University	Renovate Technology Building	9,158,050
128			
129	Old Dominion University	Renovate Batten Arts &	
130			
131		Letters	9,631,552
132			
133	Old Dominion University	Construct Physical Science	
134			
135		Building, Phase II	13,000,000
136			
137	Old Dominion University	Construct Tri-Cities Higher	
138			
139		Education Center	6,149,200
140			
141	Old Dominion University	Renovate Hughes Hall	5,600,000
142			
143	Old Dominion University	Renovate Chemistry Building	731,000
144			
145	Radford University	Construct Fine Arts Center	19,350,000
146			
147	Radford University	Renovate Young Hall	4,716,000
148			
149	Radford University	Renovate Davis Hall	1,851,000
150			
151	Radford University	Upgrade/Construct Stormwater	
152			
153		Management/Access Road	500,000
154			
155	Radford University	Renovate Russell Hall	1,000,000
156			
157	University of Virginia	Construct Medical Research	
158			
159		Bldg (MR-6)	24,235,000
160			
161	University of Virginia	Construct Materials Sci.	
162			
163		Eng. & Nano-Technology	
164			
165		Building	7,000,000
166			
167	University of Virginia	Upgrade Cavalier Substation	4,700,000
168			
169	University of Virginia	Construct Engineering/Science	
170			

171		Chiller Plant	4,800,000
172			
173	University of Virginia	Renovate Fayerweather Hall	4,600,000
174			
175	University of Virginia	Renovate Gilmer Hall	
176			
177		Teaching Laboratories	5,700,000
178			
179	University of Virginia	Upgrade Storm Water	
180			
181		Management, McCormick & North	1,400,000
182			
183	University of Virginia	Construct Arts and	
184			
185		Sciences Building	14,284,000
186			
187	University of Virginia	Construct Campbell Hall	
188			
189		Chiller Replacement	1,600,000
190			
191	University of Virginia - Wise	Upgrade/Construct Stormwater	
192			
193		Management/Access Road	2,000,000
194			
195	University of Virginia - Wise	Renovate/Expand Drama	
196			
197		Building	7,475,000
198			
199	Virginia Commonwealth University	Renovate West Hospital/	
200			
201		G.B. Johnston	14,308,000
202			
203	Virginia Commonwealth University	Construct Massey	
204			
205		Cancer Center Addition	10,099,000
206			
207	Virginia Commonwealth University	Construct Medical Sciences	
208			
209		Building Phase II	22,550,000
210			
211	Virginia Commonwealth University	Renovate Sanger Research	
212			
213		Laboratory, Phase I	7,899,000
214			
215	Virginia Commonwealth University	Renovate Hibbs Bldg	8,766,000
216			
217	Virginia Commonwealth University	Renovate Music Center	3,407,000
218			
219	Virginia Commonwealth University	Construct School of	
220			
221		Engineering Phase II	6,200,000
222			
223	Virginia Commonwealth University	Renovate Franklin Terrace	3,524,000
224			
225	Virginia Military Institute	Renovate Nichols Engineering	
226			
227		Building	13,514,000

228			
229	Virginia Military Institute	Renovate Mallory Hall	9,106,000
230			
231	Virginia Polytechnic	Renovate Williams, Agnew,	
232			
233	Institute and State University	Burrus	5,451,856
234			
235	Virginia Polytechnic	Construct Main Campus Chilled	
236			
237	Institute and State University	Water Central Plant	2,800,000
238			
239	Virginia Polytechnic	Improve/Expand Fine Arts	
240			
241	Institute and State University	Center and Renovate	
242			
243		Henderson Hall	6,542,000
244			
245	Virginia Polytechnic	Construct New Engineering	
246			
247	Institute and State University	Facility (VTRI Phase I)	13,996,000
248			
249	Virginia Polytechnic		
250			
251	Institute and State University	Construct Biology Building	14,263,000
252			
253	Virginia Polytechnic	Construct New Vivarium	
254			
255	Institute and State University	Facility	12,000,000
256			
257	Virginia Polytechnic	Classroom Improvements,	
258			
259	Institute and State University	Phase I	4,530,000
260			
261	Virginia Polytechnic	Construct Building	
262			
263	Institute and State University	Construction Facility	2,500,000
264			
265	Virginia Polytechnic	Renovate Litton Reaves Hall	
266			
267	Institute and State University	and Exterior Structural	
268			
269		Repairs	2,500,000
270			
271	Virginia Polytechnic	Renovate Cowgill Hall HVAC	
272			
273	Institute and State University	and Power	7,500,000
274			
275	Virginia State University	Construct New Academic	
276			
277		Science & Technology Building	17,711,000
278			
279	Virginia State University	Renovate Gandy Hall	4,561,000
280			
281	Richard Bland College	Renovate Library	2,650,000
282			
283	Richard Bland College	Renovate & Expand Art Bldg	800,000

284			
285	Virginia Community College System	Major Mechanical Systems,	
286			
287		Systemwide	7,684,000
288			
289	Virginia Community College System	Renovate Science Building,	
290			
291		Northern Va. (Annandale)	8,500,000
292			
293	Virginia Community College System	South Campus Renovation,	
294			
295		Virginia Western	2,192,500
296			
297	Virginia Community College System	Renovate Instructional Labs,	
298			
299		John Tyler	5,250,000
300			
301	Virginia Community College System	Alexandria Phase III,	
302			
303		Renovate Phases I & II,	
304			
305		Northern Va.	15,947,320
306			
307	Virginia Community College System	Construct Historic Triangle	
308			
309		Campus, Thomas Nelson	17,653,861
310			
311	Virginia Community College System	Construct Sciences Building	
312			
313		I, Tidewater (Virginia Beach)	11,330,000
314			
315	Virginia Community College System	Renovate Campus Post ISS	
316			
317		Bldg Construction,	
318			
319		Thomas Nelson	3,548,000
320			
321	Virginia Community College System	Renovate LRC/West Hall,	
322			
323		Patrick Henry	3,439,300
324			
325	Virginia Community College System	Replace Exterior Doors	
326			
327		and Windows, Thomas Nelson	974,000
328			
329	Virginia Community College System	Renovate CN & CT Buildings,	
330			
331		Northern Virginia (Annandale)	4,127,000
332			
333	Virginia Community College System	Construct Learning Resources	
334			
335		Building, Southwest Virginia	5,840,000
336			
337	Virginia Community College System	Construct Fine and	
338			
339		Performing Arts Program	
340			

341		Building, Blue Ridge	5,092,000
342			
343	Virginia Community College System	Construct Addition To HVAC	
344			
345		Building, Northern Va.	
346			
347		(Woodbridge)	1,175,000
348			
349	Virginia Community College System	Portsmouth Campus Relocation,	
350			
351		Tidewater	25,000,000
352			
353	Virginia Community College System	Renovate/Expand Webber Hall,	
354			
355		Virginia Western	3,500,000
356			
357	Virginia Community College System	Renovate Classrooms & Labs,	
358			
359		Southside (Christanna)	1,100,000
360			
361	Virginia Community College System	Renovate Classrooms & Labs,	
362			
363		Southside (Daniel)	1,100,000
364			
365	Virginia Community College System	Upgrade ADA Accessibility,	
366			
367		Systemwide	5,000,000
368			
369	Virginia Community College System	Renovate Paul D. Camp	
370			
371		(Franklin)	500,000
372			
373	Virginia Community College System	Renovate Unsafe & Obsolete	
374			
375		Facilities, D. S. Lancaster	2,025,000
376			
377	Virginia Community College System	Replace Greenhouses,	
378			
379		Northern Va. (Loudoun)	450,000
380			
381	Virginia Community College System	Upgrade Main Academic Building	
382			
383		Fire Suppression System,	
384			
385		Piedmont	235,000
386			
387	Virginia Community College System	Expand Computing Services,	
388			
389		New River	300,000
390			
391	Virginia Community College System	Construct William F. Snyder	
392			
393		Auditorium, Wytheville	543,080
394			
395	Virginia Community College System	Construct Science & Technology	
396			

397		Building, Piedmont	5,000,500
398			
399	Virginia Community College System	Construct Workforce Training	
400			
401		& Technology Center,	
402			
403		J.S. Reynolds	3,138,200
404			
405	Virginia Community College System	Construct Business Dev.	
406			
407		& Workforce Training Ctr.,	
408			
409		Eastern Shore	2,347,000
410			
411	Virginia Community College System	Construct Advanced Tech. and	
412			
413		Workforce Dev. Ctr., Germanna	
414			
415		(Culpeper)	5,555,000
416			
417	Virginia Community College System	Construct Workforce Services	
418			
419		Dev. Ctr., Lord Fairfax	
420			
421		(Middletown)	2,340,000
422			
423	Virginia Community College System	Construct Regional Automotive	
424			
425		Tech./Workforce Dev. Ctr,	
426			
427		Tidewater	3,262,000
428			
429	Virginia Community College System	Construct Maintenance	
430			
431		Building, Danville	839,000
432			
433	Virginia Community College System	Construct Maintenance-Service	
434			
435		Building, Southside (Daniel)	464,480
436			
437	Virginia Community College System	Construct Maintenance	
438			
439		Building, Blue Ridge	491,000
440			
441	Virginia Community College System	Construct Maintenance and	
442			
443		Storage Building, Germanna	
444			
445		(Locust Grove)	517,000
446			
447	Virginia Community College System	Construct Maintenance-Service	
448			
449		Building, Southside	
450			
451		(Christanna)	464,480
452			
453	Virginia Community College System	Construct Maintenance Services	

454			
455		Building, New River	517,000
456			
457	Virginia Community College System	Construct Maintenance Services	
458			
459		Building, Mountain Empire	564,000
460			
461	Virginia Community College System	Construct Maintenance Services	
462			
463		Building, Rappahannock (Glenns)	463,000
464			
465	Virginia Community College System	Construct Maintenance Services	
466			
467		Building, Southwest Virginia	545,000
468			
469	Virginia Community College System	Construct Facilities	
470			
471		Maintenance Building,	
472			
473		Central Virginia	485,500
474			
475	Virginia Institute		
476			
477	of Marine Science	Construct Marine Research	
478			
479		Bldg Complex	23,692,000
480			
481	Virginia Institute		
482			
483	of Marine Science	Construct Research Storage	
484			
485		Facility	641,000
486			
487	VPI Coop. Ext./		
488			
489	Agriculture Exp. Station	Construct Agriculture and	
490			
491		Natural Resources Research	
492			
493		Laboratory Facility	23,168,000
494			
495	Southwest Virginia		
496			
497	Higher Ed. Center	Construct Addition to	
498			
499		Southwest Va. Higher Ed.	
500			
501		Center	1,900,000
502			
503	Jamestown-Yorktown Foundation	Renovate/Expand Jamestown	
504			
505		Powhatan Village	1,009,000
506			
507	Jamestown-Yorktown Foundation	Construct Central Support	
508			
509		Complex	6,935,000

510			
511	Jamestown-Yorktown Foundation	Construct Jamestown Riverfront	
512			
513		Support Area	1,847,000
514			
515	Jamestown-Yorktown Foundation	Construct Jamestown Entrance	
516			
517		Plaza, Parking Lots and	
518			
519		Roadways	4,391,000
520			
521	Jamestown-Yorktown Foundation	Construct Jamestown	
522			
523		Maintenance Building	762,000
524			
525	Science Museum of Virginia	Construct Belmont Bay	
526			
527		Science Center	5,000,000
528			
529	Science Museum of Virginia	Renovate Planetarium/IMAX	
530			
531		Theater Sprinklers	2,000,000
532			
533	Science Museum of Virginia	Renovate/Expand Danville	
534			
535		Science Center	3,679,000
536			
537	Virginia Museum of Fine Arts	Renovate/Expand Museum	28,000,000
538			
539	Frontier Culture Museum	Construct Maintenance	
540			
541		Facility	950,000
542			
543	Grand Total		\$900,488,645
544			

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

547 *To the extent that the cost of any capital project listed above is less than the amount allocated to*
548 *such project, the Governor or the Governor's designee may increase the amount allocated to any other*
549 *capital project listed above. No such allocation to a capital project may be increased, however, until it*
550 *has been demonstrated to the satisfaction of the Governor or the Governor's designee that (a) the cost*
551 *of the capital project has been reduced to the extent reasonable, (b) the capital project has not been*
552 *expanded or enhanced beyond that originally approved, and (c) the capital project is suitable and*
553 *adequate for the scope originally intended. No increase in the amount allocated to any capital project*
554 *shall constitute an authorization for the issuance of bonds in an amount in excess of the aggregate*
555 *amount authorized hereunder.*

556 § 4. *Application of Proceeds. Proceeds (including any premium) of the bonds and any BANs (except*
557 *the proceeds of (i) bonds the issuance of which has been anticipated by BANs, (ii) refunding bonds and*
558 *(iii) refunding BANs) shall be deposited by the State Treasurer in a special capital outlay fund in the*
559 *State Treasury and shall be disbursed only for the purpose for which the bonds or any BANs have been*
560 *issued. In the event that the proceeds of the bonds or BANs exceed the cost of the projects specified in*
561 *§ 3, the Treasury Board shall cause such excess proceeds to be applied to the retirement of the bonds*
562 *or BANs. The proceeds of (i) bonds the issuance of which has been anticipated by BANs, (ii) refunding*
563 *bonds and (iii) refunding BANs and any funds provided by the General Assembly, or available from any*
564 *other source, for the purpose, shall be used to pay such BANs, refunded bonds and refunded BANs.*

565 *The proceeds of the bonds and any refunding bonds or BANs are hereby appropriated for*
566 *disbursement from the state treasury for the current biennium pursuant to Article X, Section 7 of the*
567 *Constitution of Virginia, and § 2.2-1819 of the Code of Virginia. The general conditions and general*
568 *provisions of the general appropriation act enacted pursuant to Chapter 15 (§ 2.2-1500 et seq.) of Title*

2.2 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 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.

At 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 or BANs 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 BANs be transferred to the general fund of

630 *the State Treasury.*

631 § 7. *Authorized Investments.* Pending the application of the proceeds of the bonds or BANs (including
632 refunding bonds and BANs) to the purpose for which they have been authorized and the application of
633 funds set aside for the purpose to the payment of bonds or BANs, they may be invested by the State
634 Treasurer in securities that are legal investments under the laws of the Commonwealth for public funds
635 and sinking funds, as the case may be. Whenever the State Treasurer receives interest from the
636 investment of the proceeds of bonds or any BANs, such interest shall become a part of the principal of
637 the bonds or any BANs and shall be used in the same manner as required for principal of the bonds or
638 BANs. The Treasury Board may, however, direct that the interest received from the investment of the
639 proceeds of the bonds or BANs be transferred to the general fund of the State Treasury.

640 § 8. *Security for bonds and BANs.* The full faith and credit of the Commonwealth is hereby
641 irrevocably pledged for the payment of the principal of and the interest on bonds, refunding bonds, and
642 (unless the Treasury Board, by and with the consent of the Governor, shall provide otherwise) BANs
643 issued under this act. The proceeds of (i) bonds the issuance of which has been anticipated by BANs,
644 (ii) refunding bonds and (iii) refunding BANs are hereby irrevocably pledged for the payment of
645 principal of and interest and any premium on such bonds or BANs to be refunded thereby. In addition,
646 the Treasury Board may pledge the full faith and credit of the Commonwealth for the payment of the
647 principal of and interest on any BANs. If sufficient funds are not appropriated in the general
648 appropriations act for any fiscal year for the timely payment of the principal of and the interest on the
649 bonds, any refunding bonds or any BANs where the full faith and credit of the Commonwealth has been
650 pledged, there shall be set apart by direction of the Governor, from the first general fund revenues
651 received during such fiscal year and thereafter, a sum sufficient to pay such principal and interest.

652 § 9. *Expenses.* All expenses incurred under this act shall be paid from the proceeds of the bonds, or
653 any refunding bonds or BANs, or from any other available funds as the Treasury Board shall determine.

654 § 10. *Exemption of interest from tax.* The bonds and BANs issued under the provisions of this Act,
655 their transfer, and the income therefrom, including any profit made on the sale thereof, shall at all times
656 be exempt from taxation by the Commonwealth and by any political subdivision thereof. The interest on
657 the bonds and any refunding bonds or BANs may be subject to inclusion in gross income of the holders
658 thereof for federal income tax purposes.

659 § 11. *Referendum.* The question of the effectiveness of this act and the authorization of the bonds
660 shall be submitted to the qualified voters of the Commonwealth at the general election to be held on
661 Tuesday, November 5, 2002. The referendum shall be supervised and held, notice thereof given, ballots
662 prepared, returns made and certified, votes canvassed and results ascertained and made known, as
663 provided by law. The ballots to be used at the election shall pose the question in substantially the
664 following form:

665 *QUESTION:* Shall Chapter ___, Acts of the General Assembly of 2002, authorizing the issuance of
666 general obligation bonds of the Commonwealth of Virginia in the maximum amount of \$900,488,645
667 pursuant to Article X, Section 9(b) of the Constitution of Virginia for capital projects for educational
668 facilities, take effect?

669 After the general election, the State Board of Elections shall without delay make out, certify, and
670 transmit to the Governor and to the Treasury Board an official copy of the report of the whole number
671 of votes cast at the election for and against the act.

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

675 The expenses incurred in conducting this election shall be defrayed as in the case of election of
676 members of the General Assembly.

677 § 12. An educational institution may apply any available nongeneral funds to initiate a project
678 authorized in § 3 hereof, and the appropriations provided for in this act may be used to reimburse such
679 institution for nongeneral funds so applied. Such reimbursement shall be contingent upon the availability
680 of appropriations provided for in this act. Reimbursement shall be made only for projects authorized in
681 § 3 hereof which were supplemented with nongeneral funds on and after January 1, 2002, provided that
682 any such expenditures have received the prior written approval of the Director of the Department of
683 Planning and Budget.

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

687 2. That on or before September 1, 2002, each education agency or institution having a capital
688 project listed in the first enactment of this act shall provide to the Governor and the chairmen of
689 the Senate Finance Committee and the House Appropriations Committee an implementation plan
690 for the completion of such projects. The plan shall include as a minimum: (i) the proposed
691 construction schedule for each project indicating the anticipated start-up date for the project as

well as the projected completion date for the project, taking into consideration the budgetary and programmatic capacity of the agency or institution to operate the completed capital project, (ii) detailed draw schedules indicating the monthly cash needs to finance expenditures from the start-up date to the completion date of each project, and (iii) an estimate of the additional costs for the staffing and equipping of each project as well as an identification of the anticipated source of funding to cover such additional costs for each project. The Governor shall prescribe a uniform format for the preparation of this submission by each affected agency or institution.

3. That on or before January 15, 2003, the Governor shall release his proposed plan for the execution of the capital projects listed in the first enactment of this act. To the extent practicable, the Governor's plan shall be based on the implementation plans submitted by the agencies and institutions pursuant to the second enactment of this act. However, the Governor shall modify such implementation plan, as necessary, to provide for the orderly issuance of the bonds authorized in this act and to ensure that the Commonwealth (i) stays within the appropriations in the general appropriation act to pay the debt service on such bonds, (ii) acts within its budgetary ability to open and operate such completed capital projects, (iii) adheres to the limits of its capacity to issue tax-supported debt, and (iv) complies with all other provisions of law regarding its authority to issue debt.

Should the Governor find the need to make modification in any of the project schedules proposed by state agencies and institutions to meet the purposes stated herein, he shall direct the Secretary of Finance to confer with the chairmen of the Senate Finance Committee and the House Appropriations Committee and the affected state agencies and institutions and develop criteria to determine which projects continue on schedule as planned and which projects are deferred.

4. That commensurate with the release of the Governor's proposed plan for the execution of the capital projects pursuant to the third enactment of this act, the Secretaries of Administration and Finance shall jointly release recommendations to expedite the capital outlay review process as set forth in § 2.2-1132 of the Code of Virginia. Such recommendations shall indicate whether they can be implemented administratively or whether legislation will be necessary prior to their implementation.

5. 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 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 fourth 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.

6. That there is hereby appropriated to the State Board of Elections from the general fund of the state treasury an amount not to exceed \$125,000 for the costs of public notices and other information required to be published in connection with the referendum on this act at the November 5, 2002, general election. #