

023091404

SENATE BILL NO. 563

Offered January 10, 2002

A BILL authorizing the issuance of Commonwealth of Virginia Environmental Stewardship Bonds in an amount not exceeding \$488,495,075 for the purpose of financing the cost of capital projects for biological nutrient removal at sewage treatment facilities, rehabilitation to dams owned by soil and water conservation districts, combined sewer overflow, renovation of state parks and acquisition of real estate for parks and acquisition of permanent interests in real estate for conservation purposes; 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.

Patrons—Bolling, Deeds, Hanger, Maxwell, Newman, Rerras and Whipple; Delegate: Albo

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. § 1. Title. *This act shall be known and may be cited as the "Commonwealth of Virginia Environmental Stewardship Bond Act of 2002."*

§ 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 5, 2002, 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 Environmental Stewardship Bonds, Series...", in an aggregate principal amount not exceeding \$488,495,075. 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 biological nutrient removal at sewage treatment facilities, rehabilitation to dams owned by soil and water conservation districts, combined sewer overflow, renovation of state parks and acquisition of real estate for parks and acquisition of permanent interests in real estate for conservation purposes. The projects shall be classified as Category 1, Category 2, Category 3, Category 4, and Category 5 projects, respectively, with each category being subject to different preconditions. Bonds to finance the cost of Category 2 projects may be issued only if the aggregate principal amount of \$96,974,000 in bonds has been issued to finance the cost of Category 1 projects. Bonds to finance the cost of Category 3 projects may be issued only if the aggregate principal amount of \$9,850,000 in bonds has been issued to finance the cost of Category 2 projects. Bonds to finance the cost of Category 4 projects may be issued only if the aggregate principal amount of \$25,300,000 has been issued to finance the cost of Category 3 projects. Bonds to finance the cost of Category 5 projects may be issued only if the aggregate principal amount of \$156,371,075 has been issued to finance the cost of Category 4 projects.*

The projects and the amount of bonds authorized to be issued for each such project shall be as follows:

Category 1 projects

Category 1 projects shall be capital projects for biological nutrient removal at the following sewage treatment facilities and in the following amounts:

Facility	Amount
Town of Leesburg Sewage Treatment Plant	\$70,000
Virginia's Share of Blue Plains Sewage Treatment Plant	\$1,078,000

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SB563

58	Alexandria Sanitation Authority Sewage Treatment Plant	\$2,827,000
59		
60	Arlington County Sewage Treatment Plant	\$435,000
61		
62	Dale Service Corporation Sewage Treatment Plant #1	\$105,000
63		
64	Dale Service Corporation Sewage Treatment Plant #8	\$118,000
65		
66	Fairfax County - Noman Cole Sewage Treatment Plant	\$1,910,000
67		
68	Prince William County Service Authority - Mooney Sewage	
69		
70	Treatment Plant	\$2,143,000
71		
72	Town of Purcellville Sewage Treatment Plant	\$111,000
73		
74	Augusta County Service Authority - Stuarts Draft Sewage	
75		
76	Treatment Plant	\$141,000
77		
78	Town of Strasburg Sewage Treatment Plant	\$1,724,000
79		
80	Town of Colonial Beach Sewage Treatment Plant	\$45,000
81		
82	Upper Occoquan Sewage Authority Sewage Treatment Plant	\$259,000
83		
84	Town of Parkins Mill Sewage Treatment Plant	\$1,337,000
85		
86	Augusta County Service Authority - Fishersville Sewage	
87		
88	Treatment Plant	\$1,337,000
89		
90	Town of Luray Sewage Treatment Plant	\$817,000
91		
92	City of Waynesboro Sewage Treatment Plant	\$3,340,000
93		
94	Town of Front Royal Sewage Treatment Plant	\$1,337,000
95		
96	Town of Woodstock Sewage Treatment Plant	\$45,000
97		
98	King George County Sanitation Authority - Dahlgren Sewage	
99		
100	Treatment Plant	\$470,000
101		
102	Town of Culpeper Sewage Treatment Plant	\$2,097,000
103		
104	City of Fredericksburg Sewage Treatment Plant	\$2,399,000
105		
106	Hanover County - Ashland Sewage Treatment Plant	\$1,135,000
107		
108	Hanover County - Doswell Sewage Treatment Plant	\$1,669,000
109		
110	Hampton Roads Sanitation District - York River Sewage	
111		
112	Treatment Plant	\$5,000,000
113		
114	Chesterfield County - Falling Creek Sewage Treatment Plant	\$790,000

City of Hopewell Regional Sewage Treatment Plant	\$26,260,000
City of Richmond Sewage Treatment Plant	\$29,479,000
City of Petersburg - South Central Wastewater Treatment Authority Sewage Treatment Plant	\$7,650,000
Town of Cape Charles Sewage Treatment Plant	\$846,000
TOTAL	\$96,974,000

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

The Director of the Department of Environmental Quality shall determine the priority of funding for Category 1 capital projects. To the extent that the cost of any Category 1 capital project is less than the amount allocated to such project, the Director of the Department of Environmental Quality may increase the amount allocated to any other Category 1 capital project. No such allocation to a Category 1 capital project may be increased, however, until it has been demonstrated to the satisfaction of the Director of the Department of Environmental Quality that (i) the cost of the capital project has been reduced to the extent reasonable, (ii) the capital project has not been expanded or enhanced beyond that originally approved, and (iii) the capital project is suitable and adequate for the scope originally intended. No increase in the amount allocated to any Category 1 capital project shall constitute an authorization for the issuance of bonds in an amount in excess of the aggregate amount authorized hereunder.

Category 2 projects
Category 2 projects shall be capital projects for rehabilitation to dams owned by soil and water conservation districts as follows:

Major Modifications to Dams	Amount
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Major modifications/upgrades to bring dams in compliance with required spillway design flood requirements promulgated by the State Water Control Board pursuant to § 10.1-605 of the Code of Virginia, with modifications/upgrades including widening of the existing emergency spillway, adding a new emergency spillway, increasing the storage volume for impounded water, providing overtopping protection for the entire dam, concrete rehabilitation and repair, pressure grouting, riser tower replacement and repair, or outfall pipe sleeving or concrete joint sealing for the following dams:

Henry/Blue Ridge - Marrowbone #1	\$2,000,000
Augusta/Headwaters - South River #25	\$700,000
Augusta/Headwaters - South River #23	\$600,000 -

173		
174		
175	<i>Augusta/Headwaters - South River #26</i>	<i>\$600,000</i>
176		
177	<i>Augusta/Headwaters - South River #6</i>	<i>\$500,000</i>
178		
179	<i>Henry/Blue Ridge - Leatherwood #5</i>	<i>\$300,000</i>
180		
181	<i>Henry/Blue Ridge - Leatherwood #6</i>	<i>\$350,000</i>
182		
183	<i>Henry/Blue Ridge - Leatherwood #3</i>	<i>\$350,000</i>
184		
185	<i>Franklin/Blue Ridge - Upper Blackwater #4</i>	<i>\$600,000</i>
186		
187	<i>Craig/Mountain Castles - Johns Creek #1</i>	<i>\$2,500,000</i>
188		
189		
190	<i>Periodic Rehabilitation to Dams</i>	
191		
192	<i>Rehabilitation/structural repairs for periodic non-maintenance</i>	
193		
194	<i>including repairs or replacements to embankments, plunge</i>	
195		
196	<i>pools, riser towers, outfall pipe and appurtenant</i>	
197		
198	<i>structures for the following dams:</i>	
199		
200	<i>Henry/Blue Ridge - Leatherwood #5</i>	<i>\$50,000</i>
201		
202	<i>Augusta/Headwaters - South River #19</i>	<i>\$50,000</i>
203		
204	<i>Craig/Mountain Castles - Johns Creek #2</i>	<i>\$50,000</i>
205		
206	<i>Upper Blackwater River Dam #6</i>	<i>\$50,000</i>
207		
208	<i>Horse Pasture Creek Dam #2</i>	<i>\$50,000</i>
209		
210	<i>Mountain Run Dam #8A</i>	<i>\$35,000</i>
211		
212	<i>Mountain Run Dam #13</i>	<i>\$25,000</i>
213		
214	<i>Beautiful Run Dam 2A</i>	<i>\$75,000</i>
215		
216	<i>South River Dam #11</i>	<i>\$30,000</i>
217		
218	<i>Stony Creek Dam #9</i>	<i>\$50,000</i>
219		
220	<i>Stony Creek Dam #10</i>	<i>\$30,000</i>
221		
222	<i>Shoemaker River Dam #1A</i>	<i>\$25,000</i>
223		
224	<i>Shoemaker River Dam #3B</i>	<i>\$30,000</i>
225		
226	<i>Leatherwood Creek Dam #2A</i>	<i>\$25,000</i>
227		
228	<i>Leatherwood Creek Dam #4</i>	<i>\$20,000</i>
229		

230	Beautiful Run Dam #10	\$20,000
231		
232	South River Dam #24	\$35,000
233		
234	Willis River Dam #7	\$20,000
235		
236	Willis River Dam #9	\$20,000
237		
238	Muddy Creek Dam #1	\$20,000
239		
240	Muddy Creek Dam #2	\$20,000
241		
242	Bush River Dam #2	\$25,000
243		
244	East Fork Falling River #7	\$30,000
245		
246	East Fork Falling River #15	\$30,000
247		
248	East Fork Falling River #21	\$30,000
249		
250	Roanoke Creek Dam #67	\$20,000
251		
252	Roanoke Creek Dam #4A	\$20,000
253		
254	Roanoke Creek Dam #61A	\$25,000
255		
256	Roanoke Creek Dam #31B	\$20,000
257		
258	Roanoke Creek Dam #54	\$20,000
259		
260	Johns Creek Dam #3	\$25,000
261		
262	John's Creek Dam #4	\$25,000
263		
264	Buffalo Creek Dam #1	\$15,000
265		
266	Buffalo Creek Dam #3	\$15,000
267		
268	Buffalo Creek Dam #4	\$15,000
269		
270	Buffalo Creek Dam #2	\$15,000
271		-
272		
273	Buffalo Creek Dam #5	\$15,000
274		
275	Buffalo Creek Dam #6	\$15,000
276		
277	Buffalo Creek Dam #7	\$15,000
278		
279	Buffalo Creek Dam #8	\$15,000
280		
281	Little Falling River Dam #1	\$15,000
282		
283	Little Falling River Dam #2	\$15,000
284		
285	Little Falling River Dam #3	\$15,000

286		
287	Roanoke Creek Dam #35A	\$15,000
288		
289	Roanoke Creek Dam #68	\$15,000
290		
291	Roanoke Creek Dam #5B	\$15,000
292		
293	Roanoke Creek Dam #6A	\$15,000
294		
295	Roanoke Creek Dam #49A	\$15,000
296		
297	Little River Dam #4	\$15,000
298		
299	Lower North River #80	\$25,000
300		
301	Lower North River #78	\$25,000
302		
303	Lower North River #83	\$25,000
304		
305	South Anna Dam #4	\$20,000
306		
307	TOTAL	\$9,850,000

308
309 *The General Assembly hereby finds and determines that the estimated useful life of the capital*
310 *projects above is in excess of twenty-one years.*

311 *The Director of the Department of Conservation and Recreation shall determine the priority of*
312 *funding for Category 2 capital projects. To the extent that the cost of any Category 2 capital project is*
313 *less than the amount allocated to such project, the Director of the Department of Conservation and*
314 *Recreation may increase the amount allocated to any other Category 2 capital project. No such*
315 *allocation to a Category 2 capital project may be increased, however, until it has been demonstrated to*
316 *the satisfaction of the Director of the Department of Conservation and Recreation that (i) the cost of the*
317 *capital project has been reduced to the extent reasonable, (ii) the capital project has not been expanded*
318 *or enhanced beyond that originally approved, and (iii) the capital project is suitable and adequate for*
319 *the scope originally intended. No increase in the amount allocated to any Category 2 capital project*
320 *shall constitute an authorization for the issuance of bonds in an amount in excess of the aggregate*
321 *amount authorized hereunder.*

322 *Category 3 projects*

323 *Category 3 projects shall be capital projects for combined sewer overflow as defined in*
324 *§ 62.1-241.11 of the Code of Virginia. Bond proceeds in the amount of \$25,300,000 shall be deposited*
325 *to the Combined Sewer Overflow Matching Fund established pursuant to § 62.1-241.12 of the Code of*
326 *Virginia and such proceeds shall be reserved for the payment of grants for the following combined*
327 *sewer overflow capital projects, subject to such terms and conditions on such grants as determined by*
328 *the State Water Control Board under the authority of § 62.1-241.12 of the Code of Virginia:*

329	Project	Amount
330		
331	Lower Gillies Creek Conveyance (# IIII-2), City of Richmond	\$12,500,000
332		
333	Combined Sewer Overflow Separation Project 12.4, in the	
334		
335	General Area of Oak Ridge Boulevard, Connecticut	
336		
337	Avenue, and Pennsylvania Avenue, City of Lynchburg	\$4,300,000
338		
339	Combined Sewer Overflow Separation Project 12.3, in the	
340		
341	General Area of Tolley's Lane, Sussex Street, and	
342		
343	New Hampshire Avenue, City of Lynchburg	\$4,500,000

Combined Sewer Overflow Separation Project 12.2, in the
General Area of Thomas Road, MacCausland Street,
and College Street, City of Lynchburg

\$4,000,000

Total

\$25,300,000

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

The State Water Control Board shall determine the priority of funding for Category 3 capital projects. To the extent that the cost of any Category 3 capital project is less than the amount allocated to such project, the State Water Control Board may increase the amount allocated to any other Category 3 capital project. No such allocation to a Category 3 capital project may be increased, however, until it has been demonstrated to the satisfaction of the State Water Control Board that (i) the cost of the capital project has been reduced to the extent reasonable, (ii) the capital project has not been expanded or enhanced beyond that originally approved, and (iii) the capital project is suitable and adequate for the scope originally intended. No increase in the amount allocated to any Category 3 capital project shall constitute an authorization for the issuance of bonds in an amount in excess of the aggregate amount authorized hereunder.

Category 4 projects

Category 4 projects shall be capital projects for state park renovation, acquisition and development as follows:

Park and Recreational Facilities	Amount
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Renovation of the following projects at existing state parks:

Park	Description of project	
Chippokes Plantation	Renovate Conference Shelters	\$563,591
Chippokes Plantation	Renovate Historic Structures	\$6,761,464
Chippokes Plantation	Repair Trails	\$540,722
Chippokes Plantation	Replace Water System	\$618,812
Douthat	Renovate Nature Discovery/ Environmental Education Center	\$631,164
Douthat	Trail Repairs	\$73,986
Fairy Stone	Renovate Historic Beach Concession Complex	\$2,135,199
First Landing Cape Henry	Trail Repair	\$449,581
Hungry Mother	Develop Campground	\$813,934
Hungry Mother	Replace Water Lines	\$729,828
New River Trail	Development of Foster Falls	
	Headquarters and Hotel	\$4,498,240

401			
402	<i>New River Trail</i>	<i>Renovate/Improve Horseshoe Campground</i>	<i>\$5,882,082</i>
403			
404	<i>New River Trail</i>	<i>Trail-Wide Facility Development</i>	<i>\$2,042,590</i>
405			
406	<i>Pocahontas</i>	<i>Road Repairs</i>	<i>\$445,450</i>
407			
408	<i>Sailor's Creek Battlefield</i>	<i>Renovate Hillsman Residence</i>	<i>\$200,000</i>
409			
410	<i>Staunton River</i>	<i>Renovate CCC Visitor Center</i>	<i>\$1,114,344</i>
411			
412	<i>Staunton River Battlefield</i>	<i>Renovate Mulberry Hill Structures</i>	<i>\$4,726,591</i>
413			
414	<i>Various Parks</i>	<i>Repair of Shoreline Erosion</i>	<i>\$5,350,510</i>
415			
416	<i>Various Parks</i>	<i>Roof Repairs</i>	<i>\$500,000</i>
417			
418	<i>Subtotal</i>		<i>\$38,078,088</i>
419			
420	<i>Acquisition of land for state parks</i>		
421			
422	<i>Acquisition of land for a park in the RADCO District</i>		<i>\$7,000,000</i>
423			
424	<i>Acquisition of land for a park to be located on the Middle</i>		
425			
426	<i>Peninsula along the Chesapeake Bay or major tributary</i>		<i>\$7,000,000</i>
427			
428	<i>Acquisition of land for a park to be located in the Central</i>		
429			
430	<i>Shenandoah Staunton/Harrisonburg area - Natural Chimneys,</i>		
431			
432	<i>Grand Caverns, and additional land to bring park to standards</i>		<i>\$3,500,000</i>
433			
434	<i>Acquisition of land for a park to be located on the North Fork</i>		
435			
436	<i>of Shenandoah River - Seven Bends area</i>		<i>\$7,000,000</i>
437			
438	<i>Various Parks Inholdings, Adjacent Properties, and Viewshed</i>		
439			
440	<i>Protection Easements/Acquisitions</i>		<i>\$10,000,000</i>
441			
442	<i>Rail Trail Projects</i>		<i>\$500,000</i>
443			
444	<i>Subtotal</i>		<i>\$35,000,000</i>
445			
446	<i>Acquisition of land for Natural Area Preserves</i>		
447			
448	<i>Projects identified by the Division of Natural Heritage</i>		
449			
450	<i>Acquisition of lands statewide for Natural Area Preserves</i>		<i>\$30,000,000</i>
451			
452	<i>Subtotal</i>		<i>\$30,000,000</i>
453			
454	<i>Development of the following projects:</i>		
455			
456	<i>Park</i>	<i>Description of project</i>	
457			

458	Lake Anna	Construct New Campsites	\$3,869,091
459			
460	Belle Isle	Construct Connecting Trail Bridge	\$431,618
461			
462	Chippokes Plantation	Construct Maintenance Complex	\$622,428
463			
464	Claytor Lake	Construct Campground D Bathhouse	\$273,662
465			
466	RADCO District	Development of a park	\$3,648,130
467			
468	James River in the		
469			
470	vicinity of Richmond	Development of a park	\$3,648,129
471			
472	Douthat	Construct Equestrian Camping Area	\$1,833,810
473			
474	False Cape	Construct Visitor Center Complex	\$2,500,000
475			
476	First Landing	Construct A and B Area Restroom	\$593,340
477			
478	Grayson Highlands	Construct Bathhouses and	
479			
480		Well Water System	\$873,840
481			
482	James River	Construct Equestrian Campground	\$1,833,810
483			
484	James River	Construct Housekeeping Cabins	\$4,867,222
485			
486	James River	Construct Law Enforcement	
487			
488		Officer Residence	\$144,917
489			
490	Lake Anna	Construct Cabins	\$4,175,215
491			
492	Leesylvania	Construct Boat Launches and Piers	\$224,488
493			
494	Leesylvania	Construct Group Use Picnic Shelter	\$72,503
495			
496	Mason Neck	Construct Law Enforcement	
497			
498		Officer Residence	\$144,917
499			
500	Natural Tunnel	Construct Cabins	\$4,867,222
501			
502	Occoneechee	Construct Cabins	\$4,867,222
503			
504	Sailor's Creek		
505			
506	Battlefield	Construct Visitor Center and Restroom	\$2,300,000
507			
508	Shenandoah "Andy Guest"	Construct Road - Culler's Tract	\$2,435,488
509			
510	Shenandoah "Andy Guest"	Construct Cabins and Campground	\$6,557,052
511			
512	Staunton River	Construct Equestrian Campground	\$1,833,810
513			

514	Twin Lakes	Construct Shop/Maintenance Facility	\$530,156
515			
516	Westmoreland	Construct Law Enforcement	
517			
518		Officer Residence	\$144,917
519			
520	Subtotal		\$53,292,987
521			
522	TOTAL		\$156,371,075

523
524 *The General Assembly hereby finds and determines that the estimated useful life of the capital*
525 *projects above is in excess of twenty-one years.*

526 *The Director of the Department of Conservation and Recreation shall determine the priority of*
527 *funding for Category 4 capital projects. To the extent that the cost of any Category 4 capital project is*
528 *less than the amount allocated to such project, the Director of the Department of Conservation and*
529 *Recreation may increase the amount allocated to any other Category 4 capital project. No such*
530 *allocation to a Category 4 capital project may be increased, however, until it has been demonstrated to*
531 *the satisfaction of the Director of the Department of Conservation and Recreation that (i) the cost of the*
532 *capital project has been reduced to the extent reasonable, (ii) the capital project has not been expanded*
533 *or enhanced beyond that originally approved, and (iii) the capital project is suitable and adequate for*
534 *the scope originally intended. No increase in the amount allocated to any Category 4 capital project*
535 *shall constitute an authorization for the issuance of bonds in an amount in excess of the aggregate*
536 *amount authorized hereunder. No allocation shall be made to any Category 4 capital project included*
537 *herein until all applicable requirements of § 10.1-200.1 of the Code of Virginia have been met.*

538 *Category 5 projects shall be capital projects for acquisition of permanent interests in real estate for*
539 *conservation purposes as follows:*

540	Acquisition of Permanent Interests in Real Estate	Amount
541		
542	for Conservation	
543		
544	Virginia Land Conservation Foundation	\$170,000,000
545		
546	Office of Farmland Preservation	\$30,000,000
547		
548	TOTAL	\$200,000,000
549		
550	GRAND TOTAL	\$488,495,075

551
552 *The General Assembly hereby finds and determines that the estimated useful life of the capital*
553 *projects above is in excess of twenty-one years.*

554 *Bond proceeds allocated to the Virginia Land Conservation Foundation shall be used exclusively for*
555 *the acquisition of permanent interests in real estate purchased for conservation purposes. The permanent*
556 *interests in real estate acquired shall be determined pursuant to the provisions of Chapter 10.2*
557 *(§ 10.1-1017 et seq.) of Title 10.1 of the Code of Virginia.*

558 *Bond proceeds allocated to the Office of Farmland Preservation, established pursuant to Chapter 3.3*
559 *(§ 3.1-18.9 et seq.) of Title 3.1 of the Code of Virginia, shall be used exclusively for the acquisition of*
560 *permanent interests in real estate purchased for conservation purposes. The permanent interests in real*
561 *estate acquired shall be development rights to real estate purchased by local governments from such*
562 *bond proceeds as are allocated to local governments by the Office of Farmland Preservation; however,*
563 *all such acquisition of development rights from such bond proceeds shall be pursuant to a local*
564 *purchase of development rights program approved by the Office of Farmland Preservation.*

565 *§ 4. Application of Proceeds. Proceeds (including any premium) of the bonds and any BANs (except*
566 *the proceeds of (i) bonds the issuance of which has been anticipated by BANs, (ii) refunding bonds and*
567 *(iii) refunding BANs) shall be deposited by the State Treasurer in a special capital outlay fund in the*
568 *state treasury and shall be disbursed only for the purpose for which the bonds or any BANs have been*
569 *issued. In the event that the proceeds of the bonds or BANs exceed the cost of the projects specified in*
570 *§ 3, the Treasury Board shall cause such excess proceeds to be applied to the retirement of the bonds*
571 *or BANs. The proceeds of (a) bonds the issuance of which has been anticipated by BANs, (b) refunding*
572 *bonds and (c) refunding BANs and any funds provided by the General Assembly, or available from any*
573 *other source, for the purpose, shall be used to pay such BANs, refunded bonds and refunded BANs.*

The proceeds of the bonds and any refunding bonds or BANs are hereby appropriated for disbursement from the state treasury for the current biennium pursuant to Article X, Section 7 of the Constitution of Virginia, and § 2.2-1819 of the Code of Virginia. The general conditions and general 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-one years from their date or dates and may be made redeemable before their maturity or maturities at such price or prices or within such price parameters, all as may be determined by the Treasury Board, by and with the consent of the Governor. The principal of the bonds shall be amortized, by payment into a sinking fund or otherwise, in annual installments. The first annual installment of principal of the bonds shall become due not later than one-tenth of the term of the bonds, and no installment of principal of the bonds shall be more than twice the smallest previous installment. Any such sinking fund shall not be appropriated for any other purpose.

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

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

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

§ 6. Refunding. The Treasury Board is hereby authorized, by and with the consent of the Governor, to sell and issue, at one time or from time to time, refunding bonds and BANs of the Commonwealth, to refund any or all of the bonds and BANs, respectively, issued under this act or otherwise pursuant to Article X, Section 9(b), of the Constitution of Virginia. Refunding bonds and BANs may be issued in a principal amount up to the amount necessary to pay at maturity or redeem the bonds and BANs to be refunded and pay all issuance costs and other financing expenses of the refunding. Such refunding bonds and BANs may be issued whether or not the bonds or BANs to be refunded are then subject to redemption. Any escrow or trust fund established with the proceeds from the sale of refunding bonds shall be irrevocably pledged to the payment of the bonds to be refunded, and shall be used solely to pay such bonds or BANs at maturity or upon redemption or for the purchase of not less than all of the bonds or BANs to be refunded. Any such escrow or trust fund shall constitute a special fund for the payment of such refunded bonds or BANs, and such refunded bonds or BANs, to the extent of amounts, including the maturity amounts of investments, set aside for the payment thereof in such escrow or trust

635 fund, shall not be included for the purposes of determining any limitations upon the amount of bonded
636 indebtedness of the Commonwealth that may be incurred pursuant to Article X, Section 9(b), of the
637 Constitution of Virginia. The Treasury Board may, however, direct that the interest received from the
638 investment of the proceeds of the bonds or any BANs be transferred to the general fund of the State
639 Treasury.

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

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

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

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

667 § 11. Referendum. The question of the effectiveness of this act and the authorization of the bonds
668 shall be submitted to the qualified voters of the Commonwealth at the general election to be held on
669 Tuesday, November 5, 2002. Notice of the election shall be given, the ballots shall be prepared,
670 distributed and voted, and the results thereof ascertained and certified, in accordance with Title 24.1 of
671 the Code of Virginia, relating to special elections. The ballots to be used at the election shall pose the
672 question in substantially the following form:

673 QUESTION: Shall Chapter ____, Acts of the General Assembly of 2002, authorizing the issuance of
674 general obligation bonds of the Commonwealth of Virginia in the maximum amount of \$488,495,075
675 pursuant to Article X, Section 9(b) of the Constitution of Virginia for capital projects for improving
676 sewage treatment, rehabilitation to dams, avoiding sewage overflows, renovation of state parks and
677 acquisition of real estate for parks, and acquisition of interests in real estate for conservation purposes,
678 take effect?

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

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

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

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

692 2. That the amount of funding for Category 1 capital projects shall be deemed to be grants from
693 the Water Quality Improvement Fund, established under § 10.1-2128 of the Code of Virginia, to
694 finance at least fifty percent of the cost of design and installation of biological nutrient removal
695 facilities or other nutrient removal technology at publicly owned treatment works as provided in
696 subsection C of § 10.1-2131 of the Code of Virginia.

697 3. That the Department of Environmental Quality shall consult with local governments and other
698 interested parties to develop criteria for purposes of determining the priority of funding for
699 Category 1 capital projects.

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