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SENATE BILL NO. 672

Offered January 18, 2002

A BILL authorizing the issuance of Commonwealth of Virginia Park and Recreational Facilities Bonds in an amount not exceeding \$119,040,000 for the purpose of financing the cost of capital projects for parks and recreational facilities; authorizing the Treasury Board, by and with the consent of the Governor, to fix the details of such bonds and to provide for the sale of the bonds; authorizing the Treasury Board, by and with the consent of the Governor, to borrow money in anticipation of the issuance of the bonds; authorizing the issuance of refunding bonds, by and with the consent of the Governor; providing for the pledge of the full faith and credit of the Commonwealth for the payment of such obligations; providing that interest on such obligations shall be exempt from all taxation by the Commonwealth and any political subdivision thereof; and providing that this act shall not become effective and that no bonds shall be issued hereunder unless this act is approved by a majority of the qualified voters of the Commonwealth voting thereon at an election, as required by Article X, Section 9 (b) of the Constitution of Virginia.

Patrons—Chichester, Blevins, Bolling, Byrne, Colgan, Deeds, Edwards, Hanger, Hawkins, Houck, Howell, Lambert, Lucas, Miller, Y.B., Newman, Norment, Potts, Puckett, Puller, Quayle, Rerras, Reynolds, Ruff, Saslaw, Stolle, Stosch, Ticer, Trumbo, Wagner, Wampler, Watkins, Whipple and Williams

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 Park and Recreational Facilities Bond Act of 2002."*

§ 2. Authorization of Bonds and BANs. *The authorization to issue bonds hereunder is subject to the following conditions. First, 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 Natural Resources, shall administer the orderly issuance of the bonds hereunder authorized in order to provide the funding required to execute the capital projects identified within 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 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; and (ii) the Secretary of Finance, in conjunction with the Secretaries of Natural Resources 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 hereunder authorized are completed, a status report on the projects, including the elements set forth in subsections a. and b. above.

Secondly, 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.

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 Park and Recreational Facilities Bonds, Series...", in an aggregate principal amount not exceeding \$119,040,000. The Treasury Board is further authorized, by and with the consent of the Governor, to borrow money in anticipation of the issuance of the bonds by the issuance of bond anticipation notes ("BANs"), including BANs as commercial paper.

§ 3. Purpose; Projects. *The proceeds of the bonds and BANs, excluding amounts needed to pay issuance costs and other financing expenses, shall be used as provided in § 4 hereof for capital projects for parks and recreational facilities as follows:*

Park and Recreational Facilities	Amount
Acquisition of land for	
Natural Area Preserves and Parks	\$30,000,000

INTRODUCED

SB672

55			
56			
57	Construction of		
58			
59	the following		
60			
61	projects at existing		
62			
63	state parks:		
64			
65			
66	Park	Description of project	
67			
68	Bear Creek Lake	New cabin/meeting facility	
69			
70		construction/	
71			
72		picnic shelter construction	4,550,000
73			
74	Belle Isle	Construct new campground	
75			
76		and visitors center	3,000,000
77			
78	Belle Isle	Expand maintenance complex	250,000
79			
80	Breaks Interstate	Construct campground	300,000
81			
82	Breaks Interstate	Restaurant facility upgrade	100,000
83			
84	Chippokes	Replace Chippokes Plantation	
85			
86		water system	620,000
87			
88	Chippokes	Renovations and maintenance	3,000,000
89			
90	Chippokes	Expand concession and campground	1,000,000
91			
92	Claytor Lake	Construct new cabins with docks and	
93			
94		expand marina	3,400,000
95			
96	Douthat	Construct additional cabins	1,500,000
97			
98	Douthat	Construct equestrian camping area	700,000
99			
100	Fairy Stone	Dredge lake and construct	
101			
102		new boat ramp	1,400,000
103			
104	Fairy Stone	Construct equestrian camping	
105			
106		area/horse support facility	300,000
107			
108	False Cape	Visitor center/administrative offices	2,500,000
109			
110	First Landing	Improve visitors center	400,000
111			

112	First Landing	Upgrade campsite utility system	220,000
113			
114	First Landing	Construct storage area/pole sheds	150,000
115			
116	Grayson Highlands	Renovate visitors center	500,000
117			
118	Grayson Highlands	Construct group campground	300,000
119			
120	Grayson Highlands	Utility improvements	150,000
121			
122	Holliday Lake	Construction campground	500,000
123			
124	Hungry Mother	Dredge lake	1,375,000
125			
126	Hungry Mother	Replace water lines	388,000
127			
128	Hungry Mother	Acquire and develop campground	1,000,000
129			
130	Hungry Mother	Construct visitors center	145,000
131			
132	James River	Construct campground	500,000
133			
134	James River	Construct cabins	4,500,000
135			
136	James River	Construct equestrian camping area	500,000
137			
138	James River	Construct visitors center/office	
139			
140		complex	1,200,000
141			
142	Kiptopeke	Construct overnight facilities	2,500,000
143			
144	Kiptopeke	Upgrade campground infrastructure	250,000
145			
146	Lake Anna	Construct new cabins and campsites	4,500,000
147			
148	Leesylvania	Construct boat piers/picnic shelter	300,000
149			
150	Mason Neck	Construct new office/administrative	
151			
152		complex/staff residences	730,000
153			
154	Mason Neck	Road Improvements	200,000
155			
156	Natural Tunnel	Construct cabins/campground/bathhouse	3,500,000
157			
158	New River Trail	Expand water distribution system	150,000
159			
160	New River Trail	Trail access and safety improvements	850,000
161			
162	New River Trail	Renovate historic Foster Falls complex	2,500,000
163			
164	Occoneechee	Construct cabins	3,500,000
165			
166	Occoneechee	Construct equestrian camping area	600,000
167			

168	Occoneechee	Construct visitor contact station	120,000
169			
170	Pocahontas	Road repairs	600,000
171			
172	Pocahontas	Construct equestrian center and	
173			
174		camping area	1,500,000
175			
176	Pocahontas	Construct parking areas	225,000
177			
178	Pocahontas	Expand campground and construct cabins	2,500,000
179			
180	Sailor's Creek		
181			
182	Battlefield	Construct visitor center and	
183			
184		support facility	1,120,000
185			
186	Sailor's Creek		
187			
188	Battlefield	Renovate historic Hillsman House	400,000
189			
190	Shenandoah		
191			
192	"Andy Guest"	Construct road, cabins, and campground	5,168,000
193			
194	Shenandoah		
195			
196	"Andy Guest"	Construct visitor center/office	1,000,000
197			
198	Sky Meadows	Construct picnic area	250,000
199			
200	Sky Meadows	Expand campground/Appalachian	
201			
202		Trail shelters	200,000
203			
204	Smith Mountain Lake	Construct visitor center/campground	1,500,000
205			
206	Smith Mountain Lake	Improve boat ramp parking	150,000
207			
208	Staunton River	Renovate visitor center	460,000
209			
210	Staunton River	Construct equestrian camping area	750,000
211			
212	Staunton River	Boat ramp improvements	200,000
213			
214	Staunton River		
215			
216	Battlefield	Upgrade utilities	500,000
217			
218	Staunton River		
219			
220	Battlefield	Construct equestrian camping area	100,000
221			
222	Staunton River		
223			
224	Battlefield	Renovate historic Mulberry Hill mansion	300,000

225			
226	Twin Lakes	Construct maintenance area/staff	
227			
228		residence	774,000
229			
230	Westmoreland	Construct office complex, visitor and	
231			
232		birding center	1,150,000
233			
234	Wilderness Road	Construct utilities, roads, picnic	
235			
236		area, staff residence and parking	1,245,000
237			
238	Wilderness Road	Construct visitor center	1,000,000
239			
240	Wilderness Road	Renovate historic Karlan mansion	300,000
241			
242	York River	Improve boat ramp facilities	500,000
243			
244	Various parks	Repair Shoreline Erosion	4,500,000
245			
246	Various parks	In-holdings and adjacent properties	6,500,000
247			
248	Various parks	Trail Improvements	2,000,000
249			
250	Total of construction projects in existing parks		89,040,000
251			
252	GRAND TOTAL		\$119,040,000
253			

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

256 *If any capital project relates to more than one state park or recreational facility, the Department of*
 257 *Conservation and Recreation shall determine the amount to be allocated within such capital project to*
 258 *each such state park or recreational facility. To the extent that the cost of any capital project listed*
 259 *above is less than the amount allocated to such project, the Director of the Department of Conservation*
 260 *and Recreation may increase the amount allocated to any other capital project listed above. No such*
 261 *allocation to a capital project may be increased, however, until it has been demonstrated to the*
 262 *satisfaction of the Director of the Department of Conservation and Recreation that (a) the cost of the*
 263 *capital project has been reduced to the extent reasonable, (b) the capital project has not been expanded*
 264 *or enhanced beyond that originally approved, and (c) the capital project is suitable and adequate for*
 265 *the scope originally intended. No increase in the amount allocated to any capital project shall constitute*
 266 *an authorization for the issuance of bonds in an amount in excess of the aggregate amount authorized*
 267 *hereunder. No allocation shall be made to any capital project included herein until all applicable*
 268 *requirements of § 10.1-200.1 of the Code of Virginia have been met.*

269 *§ 4. Application of Proceeds. Proceeds (including any premium) of the bonds and any BANs (except*
 270 *the proceeds of (i) bonds the issuance of which has been anticipated by BANs, (ii) refunding bonds and*
 271 *(iii) refunding BANs) shall be deposited by the State Treasurer in a special capital outlay fund in the*
 272 *State Treasury and shall be disbursed only for the purpose for which the bonds or any BANs have been*
 273 *issued. In the event that the proceeds of the bonds or BANs exceed the cost of the projects specified in*
 274 *§ 3, the Treasury Board shall cause such excess proceeds to be applied to the retirement of the bonds*
 275 *or BANs. The proceeds of (i) bonds the issuance of which has been anticipated by BANs, (ii) refunding*
 276 *bonds and (iii) refunding BANs and any funds provided by the General Assembly, or available from any*
 277 *other source, for the purpose, shall be used to pay such BANs, refunded bonds and refunded BANs.*

278 *The proceeds of the bonds and any refunding bonds or BANs are hereby appropriated for*
 279 *disbursement from the state treasury for the current biennium pursuant to Article X, Section 7 of the*
 280 *Constitution of Virginia, and § 2.2-1819 of the Code of Virginia. The general conditions and general*
 281 *provisions of the general appropriation act enacted pursuant to Chapter 15 (§ 2.2-1500 et seq.) of Title*
 282 *2.2 of the Code of Virginia, in effect from time to time, and all of the terms and conditions contained*
 283 *therein shall apply to the capital projects listed in § 3. The Governor or his designee is hereby*

284 authorized to increase the appropriation for any project listed in § 3 by the amount of the proceeds of
285 donations, gifts, grants or other nongeneral funds paid into the state treasury in excess of such
286 appropriation.

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

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

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

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

326 § 6. Refunding. The Treasury Board is hereby authorized, by and with the consent of the Governor,
327 to sell and issue, at one time or from time to time, refunding bonds and BANs of the Commonwealth, to
328 refund any or all of the bonds and BANs, respectively, issued under this act or otherwise pursuant to
329 Article X, Section 9(b), of the Constitution of Virginia. Refunding bonds and BANs may be issued in a
330 principal amount up to the amount necessary to pay at maturity or redeem the bonds and BANs to be
331 refunded and pay all issuance costs and other financing expenses of the refunding. Such refunding
332 bonds and BANs may be issued whether or not the bonds or BANs to be refunded are then subject to
333 redemption. Any escrow or trust fund established with the proceeds from the sale of refunding bonds
334 shall be irrevocably pledged to the payment of the bonds to be refunded, and shall be used solely to pay
335 such bonds or BANs at maturity or upon redemption or for the purchase of not less than all of the
336 bonds or BANs to be refunded. Any such escrow or trust fund shall constitute a special fund for the
337 payment of such refunded bonds or BANs, and such refunded bonds or BANs, to the extent of amounts,
338 including the maturity amounts of investments, set aside for the payment thereof in such escrow or trust
339 fund, shall not be included for the purposes of determining any limitations upon the amount of bonded
340 indebtedness of the Commonwealth that may be incurred pursuant to Article X, Section 9(b), of the
341 Constitution of Virginia. The Treasury Board may, however, direct that the interest received from the
342 investment of the proceeds of the bonds or any BANs be transferred to the general fund of the State
343 Treasury.

344 § 7. Authorized Investments. Pending the application of the proceeds of the bonds or BANs (including
345 refunding bonds and BANs) to the purpose for which they have been authorized and the application of

funds set aside for the purpose to the payment of bonds or BANs, they may be invested by the State Treasurer in securities that are legal investments under the laws of the Commonwealth for public funds and sinking funds, as the case may be. Whenever the State Treasurer receives interest from the investment of the proceeds of bonds or any BANs, such interest shall become a part of the principal of the bonds or any BANs and shall be used in the same manner as required for principal of the bonds or BANs.

§ 8. Security for bonds and BANs. The full faith and credit of the Commonwealth is hereby irrevocably pledged for the payment of the principal of and the interest on bonds, refunding bonds, and (unless the Treasury Board, by and with the consent of the Governor, shall provide otherwise) BANs issued under this act. The proceeds of (i) bonds the issuance of which 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. Notice of the election shall be given, the ballots shall be prepared, distributed and voted, and the results thereof ascertained and certified, in accordance with Title 24.2 of the Code of Virginia, relating to special elections. The State Board of Elections shall comply with § 30-19.10 of the Code of Virginia and shall cause to be sent to the electoral boards of each county and city sufficient copies of the full text of this act and the question contained herein for the officers of election to post in each polling place on election day. The 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 \$119,040,000 pursuant to Article X, Section 9(b) of the Constitution of Virginia for capital projects for parks and recreational facilities, take effect?

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

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

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

§ 12. The Department of Conservation and Recreation 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 the Department 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.