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SENATE BILL NO. 1291

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on Local Government
on January 28, 2003)

(Patron Prior to Substitute—Senator Stosch)

A BILL to amend and reenact § 15.2-4908 of the Code of Virginia, relating to industrial development authorities; bonds.

Be it enacted by the General Assembly of Virginia:

1. That § 15.2-4908 of the Code of Virginia is amended and reenacted as follows:

§ 15.2-4908. Issuance of bonds, notes and other obligations of authority.

A. Subject to the limitations of Chapter 50 (§ 15.2-5000 et seq.) of this title, the authority may issue bonds from time to time in its discretion, for any of its purposes, including the payment of all or any part of the cost of authority facilities and including the payment or retirement of bonds previously issued by it. All bonds issued by the authority shall be payable solely from the revenues and receipts derived from the leasing or sale by the authority of its facilities or any part thereof or from payments received by the authority in connection with its loans, and the authority may issue such types of bonds as it may determine, including, without limiting the generality of the foregoing, bonds payable, both as to principal and interest: (i) from its revenues and receipts generally; (ii) exclusively from the revenues and receipts of a particular facility or loan; or (iii) exclusively from the revenues and receipts of certain designated facilities or loans whether or not they are financed in whole or in part from the proceeds of such bonds. Unless otherwise provided in the proceeding authorizing the issuance of the bonds, or in the trust indenture securing the bonds, all bonds shall be payable solely and exclusively from the revenues and receipts of a particular facility or loan. Bonds may be executed and delivered by the authority at any time and from time to time, may be in such form and denominations and of such terms and maturities, may be in registered or bearer form either as to principal or interest or both, may be payable in such installments and at such time or times not exceeding forty years from the date thereof, may be payable at such place or places whether within or outside the Commonwealth, may bear interest at such rate or rates, may be payable at such time or times, may be evidenced in such manner, and may contain such provisions not inconsistent herewith, all as shall be ~~provided and specified~~ *determined* by the board of directors ~~in authorizing each particular bond issue~~. If deemed advisable by the board of directors, there may be retained in the proceedings under which any bonds of the authority are authorized to be issued an option to redeem all or any part thereof as ~~may be specified in such proceedings~~, at such price or prices and after such notice or notices and on such terms and conditions as may be ~~set forth in such proceedings~~ *determined by the board of directors* and as may be briefly recited on the face of the bonds, but nothing herein contained shall be construed to confer on the authority any right or option to redeem any bonds except as may be provided in the proceedings under which they shall be issued. Any bonds of the authority may be sold at public or private sale in such manner and from time to time as may be determined by the board of directors of the authority to be most advantageous, and the authority may pay all costs, premiums and commissions which its board of directors may deem necessary or advantageous in connection with the issuance thereof. Issuance by the authority of one or more series of bonds for one or more purposes shall not preclude it from issuing other bonds in connection with the same facility or any other facility, but the proceedings whereunder any subsequent bonds may be issued shall recognize and protect any prior pledge or mortgage made for any prior issue of bonds. Any bonds of the authority at any time outstanding may from time to time be refunded by the authority by the issuance of its refunding bonds in such amount as the board of directors may deem necessary, but not exceeding an amount sufficient to refund the principal of the bonds so to be refunded, together with any unpaid interest thereon and any costs, premiums or commissions necessary to be paid in connection therewith. Any such refunding may be effected whether the bonds to be refunded shall have then matured or shall thereafter mature, either by sale of the refunding bonds and the application of the proceeds thereof to the payment of the bonds to be refunded thereby, or by the exchange of the refunding bonds for the bonds to be refunded thereby, with the consent of the holders of the bonds so to be refunded, and regardless of whether the bonds to be refunded were issued in connection with the same facilities or separate facilities, and regardless of whether the bonds proposed to be refunded are payable on the same date or on different dates or are due serially or otherwise. *The determination of the form, denominations, maturities, redemption provisions, places of payment, interest rate or rates, payment installments, dates and all other terms and provisions of bonds as authorized in this section may be made by the board of directors in such manner as the board may provide, including the determination by reference to indices and formulas or by agents designated by the board of directors under guidelines established by it.*

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60 B. All bonds shall be signed by the chairman or vice-chairman of the authority or shall bear his
61 facsimile signature, and the corporate seal of the authority or a facsimile thereof shall be impressed or
62 imprinted thereon and attested by the signature of the secretary (or the secretary-treasurer) or the
63 assistant secretary (or assistant secretary-treasurer) of the authority or shall bear his facsimile signature,
64 and any coupons attached thereto shall bear the facsimile signature of the chairman. In case any officer
65 whose signature or a facsimile signature appears on any bonds or coupons ceases to be an officer before
66 delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all
67 purposes the same as if he had remained in office until such delivery. When the signatures of both the
68 chairman or the vice-chairman and the secretary (or the secretary-treasurer) or the assistant secretary (or
69 the assistant secretary-treasurer) are facsimiles, the bonds shall be authenticated by a corporate trustee or
70 other authenticating agent approved by the authority.

71 C. If the proceeds derived from a particular bond issue, due to error of estimates or otherwise, are
72 less than the cost of the authority facilities for which such bonds were issued, additional bonds may in
73 like manner be issued to provide the amount of such deficit and, unless otherwise provided in the
74 proceedings authorizing the issuance of the bonds of such issue or in the trust indenture securing the
75 same, shall be deemed to be of the same issue and shall be entitled to payment from the same fund
76 without preference or priority of the bonds of the first issue. If the proceeds of the bonds of any issue
77 shall exceed such cost, the surplus may be deposited to the credit of the sinking fund for such bonds or
78 may be applied to the payment of the cost of any additions, improvements or enlargements of the
79 authority facilities for which such bonds shall have been issued.

80 D. Prior to the preparation of definitive bonds, the authority may, under like restrictions, issue
81 interim receipts or temporary bonds with or without coupons, exchangeable for definitive bonds when
82 such bonds shall have been executed and are available for delivery. The authority may also provide for
83 the replacement of any bonds which are mutilated, destroyed or lost. Bonds may be issued under the
84 provisions of this chapter without obtaining the consent of any department, division, commission, board,
85 bureau or agency of the Commonwealth, and without any other proceedings or the happening of any
86 other conditions or things other than those proceedings, conditions or things which are specifically
87 required by this chapter; however, nothing contained in this chapter shall be construed as affecting the
88 powers and duties now conferred by law upon the State Corporation Commission.

89 E. All bonds issued under the provisions of this chapter shall have and are hereby declared to have
90 all the qualities and incidents of and shall be and are hereby made negotiable instruments under the
91 Uniform Commercial Code of Virginia (§ 8.1-101 et seq.), subject only to provisions respecting
92 registration of the bonds.

93 F. In addition to all other powers granted to the authority by this chapter, the authority may issue,
94 from time to time, notes or other obligations of the authority for any of its authorized purposes. The
95 provisions of this chapter which relate to bonds or revenue bonds shall apply to such notes or other
96 obligations insofar as such provisions may be appropriate.

97 **2. That all proceedings heretofore taken to provide for or with respect to establishing the form,**
98 **denominations, maturities, redemption provisions, places of payment, interest rate or rates,**
99 **payment installments, dates and all other terms and provisions with respect to bonds, notes and**
100 **other obligations issued by an authority pursuant to the Industrial Development and Revenue**
101 **Bond Act are hereby validated, ratified, approved and confirmed.**