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SENATE BILL NO. 904

Senate Amendments in [] — January 31, 2003

A *BILL to amend and reenact Chapter 544 of the Acts of Assembly of 1977, relating to the Southeastern Public Service Authority of Virginia.*

Patron Prior to Engrossment—Senator Quayle

Referred to Committee on Local Government

Be it enacted by the General Assembly of Virginia:**1. That Chapter 544 of the Acts of Assembly of 1977 is amended and reenacted as follows:**

Whereas, Article VII, Section 10(a) of the Constitution of Virginia provides that in determining the debt limitation of a city or town there shall not be included contract obligations of such city or town to provide payments over a period of more than one year to any publicly owned or controlled regional project if the General Assembly by general law or special act has authorized an exclusion for such project purposes; and

Whereas, the cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk, and Virginia Beach and the counties of Isle of Wight and Southampton have heretofore created the Southeastern Public Service Authority of Virginia pursuant to the provisions of Chapter 28, 51 of Title 15.1, 15.2 of the Code of Virginia, 1950, as amended, for the purpose of providing for the acquisition, financing, construction, operation and maintenance of water system and a garbage and refuse collection and disposal system, which will be publicly owned and controlled regional projects within the meaning of Article VII, Section 10(a)(4) of the Constitution of Virginia; and

Whereas, the ~~councils~~ governing bodies of said cities and the County of Isle of Wight may determine that in order to enhance the marketability of any revenue bonds to be issued by said Authority on account of such water system and such garbage and refuse collection and disposal system said ~~councils~~ governing bodies will require the power to contract obligations to provide payments over a period or periods of more than one year to said Authority to guarantee the payment of all or any part of the principal of and the interest of such revenue bonds issued from time to time by said Authority which contract obligations shall be an excluded indebtedness within the meaning of and for the purposes of Article VII, Section 10(a)(4) of the Constitution of Virginia; now, therefore,

Be it enacted by the General Assembly of Virginia:

1. § 1. The cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk, and Virginia Beach, and the county of Isle of Wight, being six seven of the eight incorporating political subdivisions comprising the Southeastern Public Service Authority of Virginia created pursuant to the provisions of Chapter 28, 51 of Title 15.1, 15.2 of the Code of Virginia, 1950, as amended, for the purpose of providing for the acquisition, financing, construction, operation and maintenance of a water system and a garbage and refuse collection and disposal system as authorized by such Chapter 28 51 and for the purpose of exercising the powers conferred by such Chapter 28, are hereby authorized from time to time or at any time to contract obligations to provide payments over a period or periods of more than one year to such Authority to guarantee the payment of all or any part of the principal of and the interest on bonds issued from time to time by such Authority on account of its water system and its garbage and refuse collection and disposal system and such contract obligations shall be an excluded indebtedness within the meaning of and for the purpose of Article VII, Section 10(a) of the Constitution of Virginia.

§ 2. No contract obligation incurred pursuant to § 1 of this act shall be considered a debt of the ~~city~~ political subdivision incurring such obligation or the issuance of bonds by such ~~city~~ political subdivision for the purpose of any present or future charter limitation on the amount of debt or bonds of, or the method of incurring debt or issuing bonds by, such ~~city~~ political subdivision.

§ 3. The term "garbage and refuse collection and disposal system" as used in Chapter 28, 51 of Title 15.1, 15.2 of the Code of Virginia, 1950, as amended, means, in the case of the Southeastern Public Service Authority of Virginia, a garbage and refuse collection and disposal system as defined in § 15.1-1240(k) 15.2-5101 of such chapter and also includes any system, plant and facilities for the recovery, processing, conversion, transportation and sale of solid wastes and any by-products derived therefrom, including, without limitation, facilities utilizing such wastes and by-products for the generation of steam and electricity.

§ 4. All proceedings taken in the creation of such Authority (formerly the Southeastern Water Authority of Virginia) and in the change of its name and purposes for which the Authority was formed are hereby ratified, validated and confirmed, notwithstanding any defects or irregularities that may exist in said proceedings.

ENGROSSED

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59 [2. That, in the event that the Authority should lease or sell and leaseback its interests in any
60 property, the Authority is hereby authorized to agree to retain legal responsibility for and
61 indemnify and hold harmless others against past, present and future liabilities associated with such
62 property and transaction, provided that the board of directors shall specifically approve any such
63 undertaking.]