

VIRGINIA ACTS OF ASSEMBLY -- 2004 SESSION

CHAPTER 711

An Act to amend and reenact § 23-30.28 of the Code of Virginia, relating to the Virginia College Building Authority.

[S 583]

Approved April 12, 2004

Be it enacted by the General Assembly of Virginia:

1. That § 23-30.28 of the Code of Virginia is amended and reenacted as follows:

§ 23-30.28. Bonds of Authority generally.

In order to provide funds for the purchase of educational institution bonds as authorized by § 23-30.27, to provide funds for the acquisition of equipment as authorized by § 23-30.27:1, and to provide funds for the purpose of paying all or any part of the cost of any one or more projects or of any portion or portions thereof, the Authority is hereby authorized to provide by resolution, at one time or from time to time, for the issuance of bonds of the Authority in such amount or amounts as the Authority shall determine. Such bonds of the Authority shall be payable solely from funds of the Authority, including, but without limitation, any one or more of the following: (i) payments of principal of and interest on educational institution bonds purchased by the Authority, (ii) the proceeds of the sale of any such educational institution bonds, (iii) payments of principal of and interest on obligations transferred to the Authority by the General Assembly or from other assets or moneys transferred to the Authority by the General Assembly or educational institutions, including lease payments or any other source of revenue, (iv) the proceeds of the sale of any such obligations or assets, (v) the proceeds from the sale of bonds of the Authority, (vi) payments made by educational institutions under leases or sales of equipment by the Authority, (vii) funds realized from the enforcement of security interests or other liens securing such bonds, (viii) payments due under letters of credit, policies of bond insurance, bond purchase agreements or other credit enhancements securing payment of principal of and interest on bonds of the Authority, (ix) any moneys held in funds established by the Authority pursuant to § 23-30.27:1, (x) any reserve or sinking funds created to secure such payment, and (xi) other available funds of the Authority. Bonds of the Authority issued under the provisions of this chapter shall not be deemed to constitute a debt of the Commonwealth or a pledge of the faith or credit of the Commonwealth and all bonds of the Authority shall contain on the face thereof a statement to the effect that neither the faith and credit, nor the taxing power of the Commonwealth or of any political subdivision thereof is, or shall be, pledged to the payment of the principal of or the interest on such bonds.

The bonds of each issue shall be dated, shall mature at such time or times, not exceeding ~~forty~~ 40 years from their date or dates, as may be determined by the Authority, and may be made redeemable before maturity, at the option of the Authority, at such price or prices and under such terms and conditions as may be fixed by the Authority prior to the issuance of the bonds. The bonds may bear interest payable at such time or times and at such rate or rates as determined by the Authority or as determined in such manner as the Authority may provide, including the determination by agents designated by the Authority under guidelines established by it. The principal and interest of such bonds may be made payable in any lawful medium. The Authority shall determine the form of the bonds and the manner of execution of the bonds, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest thereof, which may be at the office of the State Treasurer or at any bank or trust company within or without the Commonwealth. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. All revenue bonds issued under the provisions of this chapter (other than bonds registered as to principal or in registered form) shall have and are hereby declared to have, as between successive holders, all the qualities and incidents of negotiable instruments under the law of this Commonwealth. The bonds shall be in such form, shall bear interest at such rate or rates, either fixed rates or rates established by formula or other method, and may contain such other provisions, all as the Authority may determine. The principal of and premium, if any, and interest on the bonds shall be payable in lawful money of the United States of America. The Authority shall fix the denomination or denominations of the bonds and place or places of payments of principal, premium, if any, and interest at any one or more banks or trust companies within or without the Commonwealth.

Bonds may be issued under a system of book entry for recording the ownership and transfer of ownership of rights to receive payments of principal of and premium, if any, and interest on the bonds.

The Authority may sell such bonds in such manner, either at public or private sale, and for such

price as it may determine to be in the best interests of the Authority. The proceeds of such bonds shall be disbursed for the purposes for which such bonds shall have been issued under such restrictions, if any, as the resolution authorizing the issuance of such bonds or the trust indenture hereinafter mentioned may provide. Prior to the preparation of definitive bonds, the Authority may under like restrictions issue temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery. The Authority may also provide for the replacement of any bond which shall become mutilated or shall be destroyed or lost. Such revenue bonds may be issued without any other proceedings or the happening of any other conditions or things than the proceedings, conditions, and things which are specified and required by this chapter.

Neither the members of the Authority nor any person executing any bonds issued under the provisions of this chapter shall be liable personally on such bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

No project for an institution listed in § 23-14 shall be undertaken by the Authority if such project was not specifically included in a bill passed by a majority of those elected to each house of the General Assembly, authorizing such project or projects. In addition, any such project *to be financed by bonds issued by the Authority secured by a pledge of any one or more of the revenue sources cited in subdivisions (1) through (4) of subsection (d) of § 23-19* shall have been designated by the institution's board of visitors as a project to be undertaken by the Authority.

2. That all bonds issued heretofore by the Authority to provide funds for the purchase of educational institution bonds pursuant to § 23-30.27 of the Code of Virginia, to provide funds for the acquisition of equipment pursuant to § 23-30.27:1, or to provide funds to pay for all or any portion of the cost of one or more projects or portion or portions thereof are hereby validated, ratified, approved, and confirmed.