

Department of Planning and Budget 2005 Fiscal Impact Statement

1. Bill Number SB939

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. Patron Chichester

3. Committee Passed Both Houses

4. Title Higher Education 9(c) issuance bill

5. Summary/Purpose: This bill authorizes the issuance of general obligation bonds subject to the provisions of Article X, Section 9(c) of the Constitution of Virginia in an amount not to exceed \$10,563,000 plus financing costs for revenue-producing capital projects at George Mason University, University of Virginia's College at Wise, and Virginia Military Institute. The bonds are backed by the full faith and credit of the Commonwealth and therefore, constitute tax-supported debt. The bill also states that an emergency exists and that the bill is in force from its passage.

6. No Fiscal Impact. It is expected that the projects included in the bill will generate sufficient nongeneral fund revenues to pay operating expenses and debt service.

7. Budget amendment necessary: No.

8. Fiscal implications: As currently written, capital financing will be provided for three new projects. Institutions will need nongeneral fund appropriations for debt service once the projects are complete. Institutions of higher education affected by the bill must set rates, fees, and/or charges at levels that will generate sufficient net revenues to retire the debt.

9. Specific agency or political subdivisions affected:

Department of the Treasury/Treasury Board
George Mason University
Virginia Military Institute
University of Virginia's College at Wise

10. Technical amendment necessary: No.

11. Other comments: SB 939 is identical to HB 2047.

Date: 03/2/05/aps

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cc: Secretary of Finance