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**HOUSE BILL NO. 1758**

Offered January 14, 2009

Prefiled January 8, 2009

A *BILL to authorize the Treasury Board to issue bonds in an aggregate principal amount not to exceed \$100 million to provide funds for paying a portion of the costs of flood mitigation projects; the Commonwealth of Virginia Flood Mitigation Bond Act of 2009.*

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 Patron—Englin
 

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Referred to Committee on Appropriations

**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 Flood Mitigation Bond Act of 2009."*

*§ 2. The Treasury Board is hereby authorized, by and with the consent of the Governor, to sell and issue revenue obligations of the Commonwealth to be designated "Commonwealth Flood Mitigation Projects Notes, Series .." at one or more times in an aggregate principal amount not to exceed \$100,000,000, after all costs.*

*§ 3. The net proceeds of the Notes shall be used exclusively for the purpose of providing funds for paying a portion of the costs of flood mitigation projects and any financing costs and other financing expenses as provided in § 4. Such costs may include the payment of interest on the Notes for a period during construction of the projects and not exceeding one year after completion of construction of the projects.*

*§ 4. The proceeds of the Notes, including any premium received on the sale thereof, shall be made available by the Treasury Board to pay to localities for a portion of the costs of the projects. The proceeds of the Notes shall be used, together with matching local funds, for flood mitigation projects that are approved by the Department of Conservation and Recreation pursuant to § 5. The proceeds of the Notes, together with any investment earnings thereon, may, at the discretion of the Treasury Board, secure the payment of principal or purchase price of and redemption premium, if any, and interest on the Notes.*

*§ 5. The Department of Conservation and Recreation shall develop procedures whereby localities may apply for matching funds for flood mitigation projects. No locality may receive more than \$10,000,000 of such matching funds.*

*§ 6. The terms and structure of each issue of the Notes shall be determined by the Treasury Board in accordance with § 2.2-2416 of the Code of Virginia, as amended. The Notes of each issue shall be dated; shall be issued in a principal amount; shall bear interest at such rate or rates, which may be fixed, adjustable, variable, or a combination thereof and may be determined by a formula or other method; shall mature at such time or times not exceeding 20 years after the issuance thereof; and may be made subject to purchase or redemption before their maturity or maturities, at such price or prices and under such terms and conditions, all as may be determined by the Treasury Board. The Treasury Board shall determine the form of the Notes, whether the Notes are certificated or uncertificated, and fix the authorized denomination or denominations of the Notes and the place or places of payment of principal or purchase price of, and redemption premium, if any, and interest on the Notes, which may be at the office of the State Treasurer or any bank or trust company within or without the Commonwealth. The principal or purchase price of, and redemption premium, if any, and interest on the Notes shall be made payable in lawful money of the United States of America. Each issue of the Notes may be issued under a system of book entry for recording the ownership and transfer of ownership of rights to receive payments of principal or purchase price of and redemption premium, if any, and interest on such Notes. All Notes shall have and are hereby declared to have, as between successive holders, all of the qualities and incidents of negotiable instruments under the negotiable instruments law of the Commonwealth.*

*The Treasury Board may sell the Notes from time to time at public or private sale, by competitive bidding, negotiated sale, or private placement, for such price or prices as it may determine to be in the best interests of the Commonwealth.*

*§ 7. The Notes shall be signed on behalf of the Treasury Board by the chairman or vice-chairman of the Treasury Board, or shall bear the facsimile signature of such officer, and shall bear the official seal of the Board, which shall be attested to by the manual or facsimile signature of the secretary or assistant secretary of the Treasury Board. In the event that the Notes shall bear the facsimile signature*

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59 of the chairman or vice-chairman of the Treasury Board, such Notes shall be signed by such  
60 administrative assistant as the chairman of the Transportation Board shall determine or by any  
61 registrar/paying agent who may be designated by the Treasury Board. In case any officer whose  
62 signature or a facsimile of whose signature appears on any Notes shall cease to be such officer before  
63 the delivery of such Notes, such signature or facsimile signature nevertheless shall be valid and  
64 sufficient for all purposes as if such officer had remained in office until such delivery.

65 § 8. All expenses incurred under this Act or in connection with the issuance of the Notes shall be  
66 paid from the proceeds of such Notes or from any available funds as the Treasury Board shall  
67 determine.

68 § 9. The Treasury Board is hereby authorized to borrow money at such rate or rates through the  
69 execution and issuance of the Notes for the same, but only in the following circumstances and under the  
70 following conditions:

71 a. In anticipation of the sale of the Notes, the issuance of which shall have been authorized by the  
72 Treasury Board and shall have been approved by the Governor, if the Treasury Board shall deem it  
73 advisable to postpone the issuance of such Notes; or

74 b. For the renewal of any anticipation notes herein authorized.

75 § 10. The proceeds of the Notes and of any anticipation notes herein authorized (except the proceeds  
76 of the Notes the issuance of which has been anticipated by such anticipation notes) shall be placed by  
77 the State Treasurer in a special fund in the state treasury, and shall be disbursed only for the purpose  
78 for which such Notes and such anticipation notes shall be issued; provided, however, that proceeds  
79 derived from the sale of the Notes herein authorized shall be first used in the payment of any  
80 anticipation notes that may have been issued in anticipation of the sale of such Notes and any renewals  
81 of such Notes.

82 § 11. The Treasury Board is hereby authorized to receive any other funds that may be made  
83 available to pay costs of the projects and, subject to appropriation, to make available the same to the  
84 payment of the principal or purchase price of, and redemption premium, if any, and interest on the  
85 Notes authorized hereby and to enter into the appropriate agreements to allow for those funds to be  
86 paid into the state treasury to pay a part of the costs of the projects or to pay principal or purchase  
87 price of, and redemption premium, if any, and interest on the Notes.

88 § 12. The Treasury Board, in connection with the issuance of the Notes, shall establish a fund in the  
89 state treasury which shall secure and be used for the payment of the Notes to the credit of which there  
90 shall be deposited such amounts, appropriated therefor by the General Assembly, as are required to pay  
91 principal or purchase price of, and redemption premium, if any, and interest on the Notes, as and when  
92 due and payable.

93 § 13. Note proceeds and moneys in any reserve funds and sinking funds in respect of the Notes shall  
94 be invested by the State Treasurer in accordance with the provisions of general law relating to the  
95 investment of such funds belonging to or in the control of the Commonwealth.

96 § 14. The interest income from and any profit made on the sale of the obligations issued under the  
97 provisions of this Act shall at all times be free and exempt from taxation by the Commonwealth and by  
98 any municipality, county, or other political subdivision thereof.