

LD1546260

HOUSE BILL NO. 264

Offered January 18, 1994

A *BILL to amend and reenact § 9-6.25.1 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 17 of Title 2.1 an article numbered 1.1, consisting of sections numbered 2.1-304.2 through 2.1-304.7, relating to the Debt Capacity Advisory Committee.*

Patrons—Hall, Ball, Dickinson and Heilig

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That § 9-6.25:1 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Chapter 17 of Title 2.1 an article numbered 1.1, consisting of sections numbered 2.1-304.2 through 2.1-304.7, as follows:

*Article 1.1.**Debt Capacity Advisory Committee.*

§ 2.1-304.2. Debt Capacity Advisory Committee created; membership.

The Debt Capacity Advisory Committee is hereby created. The membership shall consist of the Secretary of Finance; the State Treasurer; the Director of the Department of Planning and Budget; the Auditor of Public Accounts; the Director of the Joint Legislative Audit and Review Commission; and two citizen members who have expertise in financial matters to be appointed by the Governor.

The Secretary of Finance shall be the chairperson of the Committee. The Department of Treasury shall serve as staff to the Committee.

Of the citizen members appointed for terms beginning July 1, 1994, one shall be appointed for an initial term of three years and the other for an initial term of five years. Successors shall be appointed to serve for terms of four years each. Vacancies occurring other than by expiration of term shall be filled by appointment of the Governor for the remainder of the unexpired term. All appointments shall be subject to confirmation by the General Assembly. Members shall continue to hold office until their successors have been appointed and qualified.

All members of the Debt Capacity Advisory Committee shall serve without compensation. Citizen members shall receive necessary and reasonable expenses incurred in performing their duties as members of the Debt Capacity Advisory Committee.

§ 2.1-304.3. Powers and duties.

The Committee shall have the power and duty to:

1. Annually review the size and condition of the Commonwealth's tax-supported debt and submit to the Governor and to the General Assembly an estimate of the maximum amount of new tax-supported debt that prudently may be authorized for the next biennium. The estimate shall be advisory and in no way bind the Governor or the General Assembly; and

2. Conduct ongoing reviews of the amount and condition of bonds, notes, and other security obligations of the Commonwealth's instrumentalities, including agencies, institutions, boards, and authorities (i) not secured by the full faith and credit of the Commonwealth or for which the General Assembly is not permitted to replenish reserve funds and (ii) for which the Commonwealth has a contingent or limited liability or for which the General Assembly is permitted to replenish reserve funds if deficiencies occur and (iii) when appropriate, shall recommend limits on such additional obligations to the Governor and to the General Assembly.

§ 2.1-304.4. Estimated amount of prudent tax-supported debt; affordability considerations.

Before January 1 of each year, the Committee shall submit to the Governor and to the General Assembly the Committee's estimate of tax-supported debt which prudently may be authorized for the next fiscal year, together with a report explaining the basis for the estimate. In developing its annual estimate and in preparing its annual report, the Committee shall, at a minimum, consider:

1. The amount of tax-supported debt that, during the next fiscal year and annually for the following nine fiscal years (i) will be outstanding and (ii) has been authorized but not yet issued;

2. A projected schedule of affordable, state tax-supported debt authorizations for the next biennium. The assessment of the affordability of the projected authorizations shall include but not be limited to the considerations specified in this section;

3. Projected debt-service requirements during the next fiscal year and annually for the following nine fiscal years based upon (i) existing outstanding debt, (ii) previously authorized but unissued debt, and (iii) projected bond authorizations;

4. The criteria that recognized bond rating agencies use to judge the quality of issues of

INTRODUCED

HB264

60 *Commonwealth bonds, including but not limited to (i) existing and projected total debt service on*
61 *tax-supported debt as a percentage of tax revenues, (ii) existing and projected total tax-supported debt*
62 *outstanding as a percentage of total state personal income, and (iii) a comparison of debt ratios to*
63 *other states with high credit ratings;*

64 *5. Any other factor that is relevant to (i) the ability of the Commonwealth to meet its projected debt*
65 *service requirements for the next two fiscal years; (ii) the ability of the Commonwealth to support*
66 *additional debt service in the upcoming biennium; (iii) the requirements of the statewide capital plan;*
67 *and (iv) the interest rate to be borne by, the credit rating on, or any other factor affecting the*
68 *marketability of such bonds; and*

69 *6. The effect of authorizations of new tax-supported debt on each of the considerations of this*
70 *section.*

71 *§ 2.1-304.5. Governor's consideration of tax-supported debt.*

72 *Prior to the Governor recommending any new tax-supported debt, which is defined as debt for which*
73 *the debt service payments are expected to be made, in whole or in part, from appropriations of the*
74 *Commonwealth, the Governor shall consider the maximum amount of debt recommended as prudent for*
75 *the subject biennium by the Committee.*

76 *§ 2.1-304.6. Cooperation of the Commonwealth's instrumentalities.*

77 *All Commonwealth debt-issuing agencies, institutions, boards, and authorities shall quarterly provide*
78 *the State Treasurer with all information which the Committee deems necessary for it to carry out the*
79 *requirements of this article. The Departments of Accounts, Planning and Budget, and Taxation and*
80 *other state agencies shall also provide the State Treasurer with the information and assistance the*
81 *Committee deems necessary.*

82 *§ 2.1-304.7. Limitation of article.*

83 *This article shall not limit or alter the rights of the Commonwealth or any of its instrumentalities to*
84 *fulfill the terms of any agreements made with the holders of any bonds, notes, or other obligations of*
85 *the Commonwealth or such instrumentality issued and outstanding prior to July 1, 1994, or to in any*
86 *way impair the rights and remedies of such holders.*

87 *§ 9-6.25:1. Advisory boards, commissions and councils.*

88 *There shall be, in addition to such others as may be designated in accordance with § 9-6.25, the*
89 *following advisory boards, commissions and councils within the executive branch:*

90 *Advisory Board for the Department for the Deaf and Hard-of-Hearing*
91 *Advisory Board for the Department for the Aging*
92 *Advisory Board on Child Abuse and Neglect*
93 *Advisory Board on Medicare and Medicaid*
94 *Advisory Board on Occupational Therapy*
95 *Advisory Board on Physical Therapy to the Board of Medicine*
96 *Advisory Board on Respiratory Therapy to the Board of Medicine*
97 *Advisory Board on Teacher Education and Licensure*
98 *Advisory Council on Revenue Estimates*
99 *Advisory Council on the Virginia Business-Education Partnership Program*
100 *Appomattox State Scenic River Advisory Board*
101 *Aquaculture Advisory Board*
102 *Art and Architectural Review Board*
103 *(Effective until July 1, 1994) Board for the Visually Handicapped*
104 *Board of Directors, Virginia Truck and Ornaments Research Station*
105 *Board of Forestry*
106 *Board of Military Affairs*
107 *(Effective until July 1, 1994) Board of Rehabilitative Services*
108 *Board of Transportation Safety*
109 *Board of Trustees of the Family and Children's Trust Fund*
110 *Board of Visitors, Gunston Hall Plantation*
111 *Board on Veterans' Affairs*
112 *Catoctin Creek State Scenic River Advisory Board*
113 *Cave Board*
114 *Chickahominy State Scenic River Advisory Board*
115 *Clinch Scenic River Advisory Board*
116 *Coal Surface Mining Reclamation Fund Advisory Board*
117 *Council on Indians*
118 *Council on the Status of Women*
119 *Debt Capacity Advisory Committee*
120 *Emergency Medical Services Advisory Board*
121 *Falls of the James Committee*

- 122 Film Office Advisory Board
- 123 Forensic Science Advisory Board
- 124 Goose Creek Scenic River Advisory Board
- 125 Governor's Council on Alcohol and Drug Abuse Problems
- 126 Governor's Mined Land Reclamation Advisory Committee
- 127 Hemophilia Advisory Board
- 128 Human Services Information and Referral Advisory Council
- 129 Industrial Development Services Advisory Board
- 130 Interagency Coordinating Council on Housing for the Disabled
- 131 Interdepartmental Board of the State Department of Minority Business Enterprise
- 132 Laboratory Services Advisory Board
- 133 Local Advisory Board to the Blue Ridge Community College
- 134 Local Advisory Board to the Central Virginia Community College
- 135 Local Advisory Board to the Dabney S. Lancaster Community College
- 136 Local Advisory Board to the Danville Community College
- 137 Local Advisory Board to the Eastern Shore Community College
- 138 Local Advisory Board to the Germanna Community College
- 139 Local Advisory Board to the J. Sargeant Reynolds Community College
- 140 Local Advisory Board to the John Tyler Community College
- 141 Local Advisory Board to the Lord Fairfax Community College
- 142 Local Advisory Board to the Mountain Empire Community College
- 143 Local Advisory Board to the New River Community College
- 144 Local Advisory Board to the Northern Virginia Community College
- 145 Local Advisory Board to the Patrick Henry Community College
- 146 Local Advisory Board to the Paul D. Camp Community College
- 147 Local Advisory Board to the Piedmont Virginia Community College
- 148 Local Advisory Board to the Rappahannock Community College
- 149 Local Advisory Board to the Southwest Virginia Community College
- 150 Local Advisory Board to the Thomas Nelson Community College
- 151 Local Advisory Board to the Tidewater Community College
- 152 Local Advisory Board to the Virginia Highlands Community College
- 153 Local Advisory Board to the Virginia Western Community College
- 154 Local Advisory Board to the Wytheville Community College
- 155 Long-Term Care Council
- 156 Maternal and Child Health Council
- 157 Medical Advisory Board, Department of Motor Vehicles
- 158 Medical Board of the Virginia Retirement System
- 159 Migrant and Seasonal Farmworkers Board
- 160 Motor Vehicle Dealer's Advisory Board
- 161 Nottoway State Scenic River Advisory Board
- 162 Personnel Advisory Board
- 163 Plant Pollination Advisory Board
- 164 Private College Advisory Board
- 165 (Effective July 1, 1994) Private Enterprise Commission
- 166 Private Security Services Advisory Board
- 167 Psychiatric Advisory Board
- 168 Radiation Advisory Board
- 169 Rappahannock Scenic River Advisory Board
- 170 Recreational Fishing Advisory Board, Virginia
- 171 Reforestation Board
- 172 Retirement System Review Board
- 173 Rockfish State Scenic River Advisory Board
- 174 Shenandoah State Scenic River Advisory Board
- 175 Small Business Advisory Board
- 176 Small Business Environmental Compliance Advisory Board
- 177 St. Mary's Scenic River Advisory Committee
- 178 State Advisory Board on Air Pollution
- 179 State Advisory Board for the Virginia Employment Commission
- 180 State Building Code Technical Review Board
- 181 State Council on Local Debt
- 182 State Health Benefits Advisory Council

183	State Insurance Advisory Board
184	State Land Evaluation Advisory Council
185	State Networking Users Advisory Board
186	State Public Records Advisory Council
187	Staunton Scenic River Advisory Committee
188	Telecommunications Relay Service Advisory Board
189	Tourism and Travel Services Advisory Board
190	Toxic Substances Advisory Board
191	Virginia Advisory Commission on Intergovernmental Relations
192	Virginia Advisory Council for Adult Education and Literacy
193	(For effective date - See Editor's note) Virginia Board on Physical Fitness and Sports
194	Virginia Coal Research and Development Advisory Board
195	Virginia Commission for the Arts
196	Virginia Commission on the Bicentennial of the United States Constitution
197	Virginia Council on Coordinating Prevention
198	Virginia Equal Employment Opportunity Council
199	Virginia Interagency Coordinating Council
200	Virginia Military Advisory Council
201	Virginia Mine Safety Board
202	Virginia Public Buildings Board
203	Virginia Recycling Markets Development Council
204	Virginia Transplant Council
205	Virginia Water Resources Research Center, Statewide Advisory Board
206	Virginia Winegrowers Advisory Board.