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SENATE BILL NO. 237

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Finance
on February 8, 1994)

(Patron Prior to Substitute—Senator Colgan)

A BILL to amend and reenact §§ 62.1-202 through 62.1-205, and 62.1-221 of the Code of Virginia and to amend the Code of Virginia by adding sections numbered 62.1-231.1, 62.1-231.2, 62.1-240.1, 62.1-240.2, 62.1-241.9:1 and 62.1-241.9:2, relating to the Virginia Resources Authority.

Be it enacted by the General Assembly of Virginia:

1. That §§ 62.1-202 through 62.1-205, and 62.1-221 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding sections numbered 62.1-231.1, 62.1-231.2, 62.1-240.1, 62.1-240.2, 62.1-241.9:1 and 62.1-241.9:2 as follows:

§ 62.1-202. Appointment and duties of Executive Director.

The Governor shall appoint an Executive Director of the Authority, who shall report to, but not be a member of, the Board of Directors. The Executive Director shall serve as the ex officio secretary of the Board of Directors and shall administer, manage and direct the affairs and activities of the Authority in accordance with the policies and under the control and direction of the Board of Directors. He shall attend meetings of the Board of Directors, shall keep a record of the proceedings of the Board of Directors and shall maintain and be custodian of all books, documents and papers of the Authority, the minute book of the Authority and its official seal. He may cause copies to be made of all minutes and other records and documents of the Authority and may give certificates under seal of the Authority to the effect that the copies are true copies, and all persons dealing with the Authority may rely upon the certificates. He shall also perform other duties as instructed by the Board of Directors in carrying out the purposes of this chapter. He shall execute a surety bond in a penalty sum determined by the Attorney General Board of Directors. The surety bond shall be executed by a surety company authorized to transact business in the Commonwealth and shall be conditioned upon the faithful performance of the duties of the office.

§ 62.1-203. Powers of Authority.

The Authority is granted all powers necessary or appropriate to carry out and to effectuate its purposes, including the following:

1. To have perpetual succession as a public body corporate and as a political subdivision of the Commonwealth;

2. To adopt, amend and repeal bylaws, and rules and regulations, not inconsistent with this chapter for the administration and regulation of its affairs and to carry into effect the powers and purposes of the Authority and the conduct of its business;

3. To sue and be sued in its own name;

4. To have an official seal and alter it at will although the failure to affix this seal shall not affect the validity of any instrument executed on behalf of the Authority;

5. To maintain an office at any place within the Commonwealth which it designates;

6. To make and execute contracts and all other instruments and agreements necessary or convenient for the performance of its duties and the exercise of its powers and functions under this chapter;

7. To sell, convey, mortgage, pledge, lease, exchange, transfer and otherwise dispose of all or any part of its properties and assets;

8. To employ officers, employees, agents, advisers and consultants, including without limitations, attorneys, financial advisers, engineers and other technical advisers and public accountants and, the provisions of any other law to the contrary notwithstanding, to determine their duties and compensation without the approval of any other agency or instrumentality;

9. To procure insurance, in amounts and from insurers of its choice, or provide self-insurance, against any loss, cost, or expense in connection with its property, assets or activities, including insurance or self-insurance against liability for its acts or the acts of its directors, employees or agents and for the indemnification of the members of its Board of Directors and its employees and agents;

10. To procure insurance, guarantees, letters of credit and other forms of collateral or security from any public or private entities, including any department, agency or instrumentality of the United States of America or the Commonwealth, for the payment of any bonds issued by the Authority, including the power to pay premiums or fees on any such insurance, guarantees, letters of credit and other forms of collateral or security;

11. To receive and accept from any source aid, grants and contributions of money, property, labor or other things of value to be held, used and applied to carry out the purposes of this chapter subject to the conditions upon which the aid, grants or contributions are made;

12. To enter into agreements with any department, agency or instrumentality of the United States of America or, the Commonwealth, the District of Columbia or any adjoining state for the purpose of planning, regulating and providing for the financing of any projects;

13. To collect, or to authorize the trustee under any trust indenture securing any bonds to collect, amounts due under any local obligations owned by the Authority, including taking the action required by § 15.1-227.61 to obtain payment of any sums in default;

14. To enter into contracts or agreements for the servicing and processing of local obligations owned by the Authority;

15. To invest or reinvest its funds as provided in this chapter or permitted by applicable law;

16. Unless restricted under any agreement with holders of bonds, to consent to any modification with respect to the rate of interest, time and payment of any installment of principal or interest, or any other term of any local obligations owned by the Authority;

17. To establish and revise, amend and repeal, and to charge and collect, fees and charges in connection with any activities or services of the Authority;

18. To do any act necessary or convenient to the exercise of the powers granted or reasonably implied by this chapter; and

19. To pledge as security for the payment of any or all bonds of the Authority, all or any part of the Capital Reserve Fund transferred to a trustee for such purpose from the Water Facilities Revolving Fund pursuant to § 62.1-231 or from the Water Supply Revolving Fund pursuant to § 62.1-240 *or from the Virginia Solid Waste or Recycling Revolving Fund pursuant to § 62.1-241.9.*

§ 62.1-204. Power to borrow money and issue bonds.

The Authority shall have the power to borrow money and issue its bonds in amounts the Authority determines to be necessary or convenient to provide funds to carry out its purposes and powers and to pay all costs and expenses incurred in connection with the issuance of bonds. The total principal amount of bonds outstanding at any one time, issued by the Authority, shall not exceed the sum of ~~\$400~~ \$550 million without prior approval of the General Assembly.

Notwithstanding the foregoing, the Authority shall not exceed the sum of ~~\$6,000,000~~ *eight million dollars* in the total principal amount of bonds outstanding at any one time for the purpose of financing any heavy rail transportation facilities.

§ 62.1-205. Power to issue refunding bonds.

The Authority shall have the power: (i) to issue bonds to renew or to pay bonds, including the interest, (ii) whenever it deems refunding expedient, to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and (iii) to issue bonds partly to refund bonds then outstanding and partly for its corporate purposes. The refunding bonds may be exchanged for the bonds to be refunded or they may be sold and the proceeds applied to the purchase, redemption or payment of the bonds to be refunded. The amount of the ~~refunding~~ bonds issued by the Authority *and refunded with proceeds of refunding bonds issued hereunder* shall not be included in the total of outstanding bonds for purposes of the limit on the amount of bonds issued by the Authority as provided in § 62.1-204.

§ 62.1-221. Deposit of money; expenditures; security for deposits.

A. All money of the Authority, except as otherwise authorized by law or provided in this chapter, shall be deposited in an account or accounts in banks or trust companies organized under the laws of the Commonwealth or in national banking associations located in Virginia or in savings and loan associations located in Virginia organized under the laws of the Commonwealth or the United States. The money in these accounts shall be paid by check signed by the Executive Director or other officers or employees and designated by the Authority. All deposits of money shall, if required by the Authority, be secured in a manner determined by the Authority to be prudent, and all banks, trust companies and savings and loan associations are authorized to give security for the deposits.

B. Notwithstanding the provisions of subsection A the Authority shall have the power to contract with the holders of any of its bonds as to the custody, collection, securing, investment and payment of any money of the Authority and of any money held in trust or otherwise for the payment of bonds and to carry out such a contract. Money held in trust or otherwise for the payment of bonds or in any way to secure bonds and deposits of money may be secured in the same manner as money of the Authority, and all banks and trust companies are authorized to give security for the deposits.

C. Subject to the provisions of subsection B hereof, funds of the Authority not needed for immediate use or disbursement, including any funds held in reserve, may be invested in (i) obligations or securities which are considered lawful investments for fiduciaries, both individual and corporate, as set forth in § 26-40, (ii) bankers' acceptances, or (iii) repurchase agreements, reverse repurchase agreements, rate guarantee or investment agreements or other similar banking arrangements.

D. *Whenever investments are made in accordance with this section, no director, officer or employee of the Authority shall be liable for any loss therefrom in the absence of negligence, malfeasance, misfeasance or nonfeasance on his part.*

122 § 62.1-231.1. Sale of loans.

123 The Authority is empowered at any time and from time to time to sell, upon such terms and
124 conditions as the Authority shall deem appropriate, any loan, or interest therein, made pursuant to this
125 chapter. The net proceeds of sale remaining after the payment of the costs and expenses of the sale
126 shall be designated for deposit to, and become part of, the Fund.

127 § 62.1-231.2. Powers of the Authority.

128 The Authority is authorized to do any act necessary or convenient to the exercise of the powers
129 granted in this chapter or reasonably implied thereby.

130 § 62.1-240.1. Sale of loans.

131 The Authority is empowered at any time and from time to time to sell, upon such terms and
132 conditions as the Authority shall deem appropriate, any loan, or interest therein, made pursuant to this
133 chapter. The net proceeds of sale remaining after the payment of the costs and expenses of the sale
134 shall be designated for deposit to, and become part of, the Fund.

135 § 62.1-240.2. Powers of the Authority.

136 The Authority is authorized to do any act necessary or convenient to the exercise of the powers
137 granted in this chapter or reasonably implied thereby.

138 § 62.1-241.9:1. Sale of loans.

139 The Authority is empowered at any time and from time to time to sell, upon such terms and
140 conditions as the Authority shall deem appropriate, any loan, or interest therein, made pursuant to this
141 chapter. The net proceeds of sale remaining after the payment of the costs and expenses of the sale
142 shall be designated for deposit to, and become part of, the Fund.

143 § 62.1-241.9:2. Powers of the Authority.

144 The Authority is authorized to do any act necessary or convenient to the exercise of the powers
145 granted in this chapter or reasonably implied thereby.