

LD1888649

SENATE BILL NO. 458

Offered January 25, 1994

A BILL authorizing the issuance of Commonwealth of Virginia Transportation Revenue Bonds, by and with the consent of the Governor pursuant to the provisions of Article 5 (§ 33.1-267 et seq.) of Chapter 3 of Title 33.1 of the Code of Virginia and as permitted by Section 9 (d) of Article X of the Constitution of Virginia, in a principal amount not exceeding \$32,500,000 to finance the cost of projects specified in § 33.1-268, plus an amount for the issuance costs, capitalized interest, reserve funds, and other financing expenses, for the purpose of providing funds, with any other available funds, for paying all or a portion of the costs incurred or to be incurred for construction of the Oak Grove Connector in the City of Chesapeake, a Transportation Improvement Program project; authorizing the Commonwealth Transportation Board to fix the details of such bonds and to provide for the sale of such bonds at public or private sale; providing for the pledge under a payment agreement with the Treasury Board of Transportation Trust Fund revenues, including funds which may be otherwise appropriated by the General Assembly; and further providing that the interest income from such bonds shall be exempt from all taxation within the Commonwealth.

Patrons—Earley and Quayle; Delegates: Forbes, Jones, J.C., Melvin, Moore, Nelms and Spruill

Referred to the Committee on Finance

Whereas, Section 9 (d) of Article X of the Constitution of Virginia and §§ 33.1-267 through 33.1-295 of the Code of Virginia provide that the General Assembly may authorize the issuance of bonds secured by Transportation Trust Fund revenues under a payment agreement between the Commonwealth Transportation Board and the Treasury Board, subject to appropriations by the General Assembly and payable first from (i) revenues received from the Transportation Improvement Program Set-Aside Fund, attributable to the City of Chesapeake, established by § 58.1-816.1, (ii) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the city or county in which the project or projects to be financed are located, (iii) to the extent required, legally available revenues of the Transportation Trust Fund, and (iv) such other funds which may be appropriated by the General Assembly; and

Whereas, the project described herein will be a state highway operated and maintained by the Commonwealth Transportation Board; now, therefore,

Be it enacted by the General Assembly of Virginia:

1.

§ 1. This act shall be known and may be cited as the "Oak Grove Connector, City of Chesapeake, Commonwealth of Virginia Revenue Bond Act of 1994."

§ 2. The Commonwealth Transportation Board is hereby authorized, by and with the consent of the Governor, to issue, pursuant to the provisions of §§ 33.1-267 through 33.1-295, at one time or from time to time, bonds of the Commonwealth to be designated "Commonwealth of Virginia Transportation Revenue Bonds, Series", in an aggregate principal amount not exceeding \$32,500,000 to finance the cost of the projects plus an amount for the issuance costs, capitalized interest, reserve funds, and other financing expenses (the "Bonds"). The proceeds of the Bonds shall be used exclusively for the purpose of providing funds, with any other available funds, for paying the costs incurred or to be incurred for construction or funding of the project known as the Oak Grove Connector in the City of Chesapeake and as established in Article 5 (§ 33.1-267 et seq.) of Chapter 3 of Title 33.1, consisting of environmental and engineering studies, rights-of-way acquisition, improvements to all modes of transportation, construction and related improvements (the "project"). Such costs may include the payment of interest on the Bonds for a period during construction and not exceeding one year after completion of construction of the projects.

The Bonds shall be issued by the Commonwealth Transportation Board and sold through the Treasury Board, which is hereby designated the sales and paying agent of the Commonwealth Transportation Board with respect to the Bonds. The Treasury Board's duties shall include the approval of the terms and structure of the Bonds.

§ 3. The proceeds of the Bonds herein authorized shall be made available by the Commonwealth Transportation Board to pay the costs of the project and, where appropriate, may be paid to any authority, locality or commission for the purposes of paying for the costs of the project. The proceeds of the Bonds may be used with any federal, local or private funds which may be made available for said purpose.

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60 § 4. The Bonds of each issue shall be dated, shall bear interest at such rate or rates, shall mature at
61 such time or times not exceeding thirty years from their date or dates, as may be determined by the
62 Commonwealth Transportation Board, or by a formula or method established by resolution of the
63 Commonwealth Transportation Board, and may be made redeemable before their maturity or maturities,
64 at such price or prices and under such terms and conditions as may be fixed by the Commonwealth
65 Transportation Board prior to the issuance of the Bonds. The principal of and the interest on the Bonds
66 shall be made payable in lawful money of the United States of America. The Commonwealth
67 Transportation Board shall determine the form of the Bonds and fix the denomination or denominations
68 of the Bonds and the place or places of payment of principal and interest thereof, which may be at the
69 office of the State Treasurer or any bank or trust company within or without the Commonwealth.

70 All Bonds issued under the provisions of this Act shall have and are hereby declared to have, as
71 between successive holders, all the qualities and incidents of negotiable instruments under the negotiable
72 instruments law of the Commonwealth.

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

75 The Bonds may be sold at a public or private sale for such price or prices as the Commonwealth
76 Transportation Board may determine to be in the best interests of the Commonwealth.

77 § 5. The Bonds shall be signed on behalf of the Commonwealth by the Secretary of Transportation or
78 shall bear his facsimile signature, shall bear the official seal of the Board, and shall be attested by the
79 Secretary of the Board. Any interest coupons shall bear a facsimile of the signature of the Secretary. In
80 the event that the Bonds shall bear the facsimile signature of the Secretary, the Bonds shall be signed
81 by such administrative assistant as the Secretary shall determine or by any Registrar/Paying Agent that
82 may be designated by the Treasury Board. In case any officer, whose signature or a facsimile of whose
83 signature appears on any Bonds or coupons, shall cease to be such officer before the delivery of such
84 Bonds, his signature or facsimile signature shall nevertheless be valid and sufficient for all purposes as
85 if he had remained in office until such delivery.

86 § 6. All expenses incurred under this Act shall be paid from the proceeds of the Bonds or from any
87 available funds as the Commonwealth Transportation Board shall determine.

88 § 7. The Commonwealth Transportation Board is hereby authorized to borrow money at such rate or
89 rates through the execution and issuance of notes of the Commonwealth for the same, but only in the
90 following circumstances and under the following conditions:

91 1. In anticipation of the sale of the Bonds, the issuance of which shall have been authorized by the
92 Commonwealth Transportation Board and shall have been approved by the Governor, if the
93 Commonwealth Transportation Board shall deem it advisable to postpone the issuance of the Bonds.

94 2. For the renewal of any loan evidenced by notes herein authorized.

95 § 8. The proceeds of the Bonds and of the bond anticipation notes herein authorized (except the
96 proceeds of bonds, the issuance of which has been anticipated by such bond anticipation notes) shall be
97 placed by the State Treasurer in a special fund in the state treasury, or with his concurrence may be
98 placed in accordance with § 33.1-283, and shall be disbursed only for the purpose for which such
99 Bonds and such bond anticipation notes shall be issued; however, proceeds derived from the sale of
100 Bonds or renewal herein authorized shall be first used in the payment of any bond anticipation notes
101 that may have been issued in anticipation of the sale of such Bonds and any renewals of such notes.

102 § 9. The Commonwealth Transportation Board is hereby authorized to receive any other funds that
103 may be made available to pay the cost of the project and to make available the same to the payment of
104 the principal of and the interest on the debt authorized hereby and to enter into the appropriate
105 agreements to allow for those funds to be paid into the state treasury to pay a part of the cost of the
106 project or to pay the principal of and the interest on such debt.

107 § 10. The Commonwealth Transportation Board, prior to the issuance of the Bonds, may establish a
108 minimum reserve fund requirement for the Bonds.

109 § 11. The Commonwealth Transportation Board, prior to the issuance of the Bonds, shall establish a
110 sinking fund for the payment of the Bonds, to the credit of which there shall be deposited such amounts
111 as are required to pay debt service on the Bonds due, and payable for such fiscal years first from (i)
112 revenues received from the Transportation Improvement Program Set-Aside Fund attributable to the City
113 of Chesapeake, (ii) to the extent required, from funds appropriated and allocated, pursuant to the
114 highway allocation formula as provided by law, to the highway construction district in which the project
115 or projects to be financed are located or to the city or county in which the project or projects to be
116 financed are located, (iii) to the extent required, legally available revenues of the Transportation Trust
117 Fund, and (iv) such other funds which may be appropriated by the General Assembly.

118 § 12. Bond proceeds and moneys in any reserve funds and sinking funds shall be invested by the
119 State Treasurer in accordance with the provisions of general law relating to the investment of such
120 funds belonging to or in the control of the Commonwealth, or with the State Treasurer's concurrence by
121 a trustee in accordance with § 33.1-283.

122 § 13. The interest income from, but not any profit made on the sale of the Bonds, notes and coupons,
123 if any, issued under the provisions of this Act, shall at all times be free and exempt from taxation by the
124 Commonwealth and by any municipality, county or other political subdivision thereof.

125 § 14. All bonds and notes issued under the provisions of this Act are hereby made securities in which
126 all of the following may properly and legally invest funds under their control: public officers and bodies
127 of the Commonwealth; all counties, cities, towns and municipal subdivisions; all insurance companies
128 and associations; all savings banks and savings institutions, including savings and loan associations;
129 administrators; guardians; executors; trustees; and other fiduciaries in the Commonwealth.

130 § 15. If any part of this Act or the application thereof to any person or circumstance is held invalid
131 by a court of competent jurisdiction, such holding shall not affect the validity of the remainder of the
132 provisions or applications of the Act which can be given effect without the invalid provision or
133 application, and to this end the provisions of this Act are severable.