

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

An Act to authorize the issuance of bonds subject to the provisions of Section 9 (c) of Article X of the Constitution of Virginia in an amount not to exceed \$13,707,000, plus amounts needed to fund issuance costs, reserve funds and other financing expenses, for the purpose of providing funds with any other available funds for paying the costs of acquiring, constructing and equipping revenue-producing capital projects at institutions of higher learning of the Commonwealth; to authorize the Treasury Board, by and with the consent of the Governor, to fix the details of such bonds and to provide for the sale of such bonds at public or private sale; to provide for the pledge of the net revenues of such capital projects and the full faith, credit and taxing power of the Commonwealth for the payment of the principal of and the interest on such bonds; to provide that such bonds shall be exempt from all taxation by the Commonwealth and any political subdivision thereof.

[S 954]

Approved

Whereas, Section 9 (c) of Article X of the Constitution of Virginia provides that the General Assembly may authorize the creation of debt secured by a pledge of net revenues derived from rates, fees or other charges and the full faith and credit of the Commonwealth of Virginia, provided that such debt is created for specific revenue-producing capital projects, including the enlargement or improvement thereof, at, among others, institutions of higher learning of the Commonwealth; and

Whereas, in accordance with the provisions of Section 9 (c) of Article X of the Constitution of Virginia, the Governor has certified in writing, filed with the Auditor of Public Accounts, his opinion that the anticipated net revenues of each of the capital projects set forth below to be pledged to the payment of the principal of, and the interest on, that portion of such debt issued for each such project will be sufficient to meet such payments as the same become due and to provide such reserves as may be required by law and that each of the capital projects complies with the requirements of Section 9 (c) of Article X of the Constitution of Virginia; now, therefore,

**Be it enacted by the General Assembly of Virginia:**

**1. § 1. This act shall be known and may be cited as the "Commonwealth of Virginia Higher Educational Institutions Bond Act of 1995."**

§ 2. The Treasury Board is hereby authorized, by and with the consent of the Governor, to sell and issue, subject to the provisions of Section 9 (c) of Article X of the Constitution of Virginia, at one time or from time to time, bonds of the Commonwealth, to be designated "Commonwealth of Virginia Higher Educational Institutions Bonds, Series ....." in an aggregate principal amount not exceeding \$13,707,000, plus amounts needed to fund issuance costs, reserve funds and other financing expenses. The proceeds of such bonds, excluding amounts needed to fund issuance costs, reserve funds and other financing expenses, shall be used exclusively for the purpose of providing funds, with any other available funds, for paying the costs of acquiring, constructing, renovating, enlarging, improving and equipping revenue-producing capital projects at institutions of higher learning of the Commonwealth as follows:

Institution	Project Number	Debt	Project Name
Virginia State University	15621	\$2,373,000	Foster Hall Student Union
Virginia State University	15622	\$3,571,000	Jones Dining Hall
Virginia State University	15623	\$2,763,000	Dormitory Repairs
College of William and Mary	15745	\$5,000,000	Dormitory Repairs
TOTAL		\$13,707,000	

§ 3. The proceeds of the bonds and any bond anticipation notes, except the proceeds of bonds the

56 issuance of which has been anticipated by bond anticipation notes, shall be deposited in a special  
57 capital outlay fund in the state treasury and shall be disbursed by the State Treasurer for paying all or  
58 any part of the cost of the acquisition, construction, renovation, enlargement, improvement and  
59 equipping of said capital projects in the amounts provided above, plus issuance costs, reserve funds and  
60 other financing expenses.

61 § 4. The bonds shall be dated, shall bear interest at such rate or rates, shall mature at such time or  
62 times not exceeding thirty years from their date or dates, and may be made redeemable before their  
63 maturity or maturities at such price or prices, all as may be determined by the Treasury Board, by and  
64 with the consent of the Governor. The principal of, premium, if any, and the interest on the bonds shall  
65 be payable in lawful money of the United States of America. The Treasury Board shall determine the  
66 form of the bonds and shall fix the denomination or denominations of the bonds and the place or places  
67 of payment of principal, premium, if any, and interest, which may be at the Office of the State Treasurer  
68 or at any bank or trust company within or without the Commonwealth. The bonds may bear interest at  
69 such rate or rates subject to inclusion in gross income for federal income tax purposes as may be  
70 determined by the Treasury Board, by and with the consent of the Governor.

71 The bonds may be in registered form or as may be required by federal law in effect on the date of  
72 issuance. The Treasury Board may contract for services of such registrars, transfer agents, or other  
73 authenticating agents as it deems appropriate to maintain a record of the persons entitled to the bonds  
74 and the principal, premium, if any, and interest due thereon. Bonds issued in registered form may be  
75 issued under a system of book entry for recording the ownership and transfer of ownership of rights to  
76 receive payments of principal of, premium, if any, and interest on the bonds. The bonds shall be deemed  
77 to be negotiable instruments under the laws of the Commonwealth.

78 The Treasury Board may sell the bonds in such manner, at public or private sale, and for such price  
79 as it may determine, by and with the consent of the Governor, to be in the best interest of the  
80 Commonwealth. The bonds may be sold at par, at a premium or at a discount.

81 Anything in this act to the contrary notwithstanding, the bonds authorized hereby may be issued at  
82 one time or in part and may be issued and sold at the same time with other bonds of the  
83 Commonwealth authorized pursuant to Article X, Section 9 (a) (3), (b), or (c) of the Constitution of  
84 Virginia, either as separate issues, as a combined issue designated "Commonwealth of Virginia, General  
85 Obligation Bonds, Series .....", or as a combination of both.

86 The Treasury Board shall be authorized to supplement the special capital outlay fund in the state  
87 treasury created pursuant to § 3 hereof from excess moneys in any debt service, sinking or comparable  
88 fund established pursuant to previous issues of higher educational institutions bonds so long as such  
89 excess fund moneys are not otherwise restricted by law or by express contract with the holders of such  
90 prior bonds.

91 § 5. The bonds shall be signed on behalf of the Commonwealth by the Governor, or shall bear his  
92 facsimile signature, and by the State Treasurer, or shall bear his facsimile signature, and shall bear the  
93 lesser seal of the Commonwealth or a facsimile thereof. If the bonds bear the facsimile signature of the  
94 State Treasurer, the bonds shall be signed by such administrative assistant as the State Treasurer shall  
95 determine, or by such registrar or paying agent as may be designated to sign such bonds by the  
96 Treasury Board. If any officer whose signature or facsimile signature appears on any bonds ceases to  
97 be such officer before the delivery of such bonds, such signature or facsimile signature shall  
98 nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such  
99 delivery, and any bond may bear the facsimile signature of, or may be signed by, such persons as at the  
100 actual time of the execution of such bond are the proper officers to sign such bond although, at the date  
101 of such bond, such persons may not have been such officers.

102 § 6. All expenses incurred under this act shall be paid from the proceeds of the bonds, from  
103 payments made by the institutions for which the capital projects were acquired, constructed, renovated,  
104 enlarged, improved or equipped, or from any other available funds as the Treasury Board shall  
105 determine, including excess moneys in any debt service, sinking or comparable fund created in  
106 connection with prior issues of higher educational institutions bonds to the extent not otherwise  
107 restricted by law or by contract with the holders of such prior bonds.

108 § 7. The Treasury Board is hereby authorized, by and with the consent of the Governor, to borrow  
109 money in anticipation of the issuance of the bonds. Proceeds of the bonds shall be used to pay any such  
110 bond anticipation notes. Funds provided by the General Assembly, or from any other source, for the  
111 payment of the principal of, premium, if any, and interest on the bonds shall be used in paying the  
112 principal of, premium, if any, and interest on any bond anticipation notes. Such bond anticipation notes  
113 shall be dated and shall mature at such time or times not exceeding five years from their dates, and  
114 may be redeemable before their maturity or maturities at such price or prices, all as may be determined  
115 by the Treasury Board, by and with the consent of the Governor. Such bond anticipation notes shall be  
116 in such form, shall be executed in such manner, shall bear interest at such rate or rates, either at fixed

117 rates or at rates established by formula or other method, and may contain such other provisions, all as  
118 the Treasury Board or the State Treasurer, when authorized by the Treasury Board, may determine.  
119 Such bond anticipation notes may bear interest subject to inclusion in gross income for federal income  
120 tax purposes as may be determined by the Treasury Board, by and with the consent of the Governor.

121 § 8. Pending the application of the proceeds of the bonds and any bond anticipation notes to the  
122 purpose for which they have been authorized, all or any part of such proceeds may be invested by the  
123 State Treasurer in securities that are legal investments under the laws of the Commonwealth for public  
124 funds. Such investments shall be deemed at all times to be a part of such proceeds, and the interest  
125 thereon and any profit realized from such investments shall be credited to such proceeds and any losses  
126 shall be deducted therefrom.

127 § 9. Each institution of higher learning mentioned above is hereby authorized (i) to fix, revise,  
128 charge and collect a building fee or other comprehensive student fee and other rates, fees and charges  
129 for or in connection with the use, occupation and services of each capital project mentioned above or  
130 the system of which such capital project is a part and (ii) to pledge such rates, fees and charges  
131 remaining after payment of (a) the expenses of operating the project or system, as the case may be and  
132 (b) the expenses related to all other activities funded by the building fee or other comprehensive student  
133 fee, if applicable, to the payment of the principal of, premium, if any, and interest on the portion of the  
134 bonds issued for such capital project. Each such institution is further authorized to create debt service  
135 and sinking funds for the payments of the principal of, premium, if any, and interest on the bonds and  
136 other reserves required by any agency of the United States of America purchasing the bonds or any  
137 portion thereof.

138 § 10. The net revenues of the capital projects set forth above and the full faith, credit and taxing  
139 power of the Commonwealth are hereby irrevocably pledged for the payment of the principal of and the  
140 interest on the bonds herein authorized. In the event the net revenues pledged hereby are insufficient in  
141 any fiscal year for the timely payment of the principal of, premium, if any, and interest on the bonds  
142 herein authorized, the General Assembly shall appropriate a sum sufficient therefor or the Governor  
143 shall direct payment therefor from the general fund revenues of the Commonwealth.

144 § 11. The interest income on the bonds and bond anticipation notes issued under the provisions of  
145 this act shall at all times be exempt from taxation by the Commonwealth and by any county, city or  
146 town, or other political subdivision thereof.

147 § 12. The bonds issued under the provisions of this act may be refunded by refunding bonds  
148 authorized and issued in accordance with the provisions of Chapters 265 and 408 of the 1992 Acts of  
149 Assembly.

150 **2. That an emergency exists and this act is in force from its passage.**