VIRGINIA ACTS OF ASSEMBLY -- 1996 SESSION

CHAPTER 672

An Act to amend and reenact §§ 23-15, 23-17, 23-19, 23-30.24, 23-30.26, 23-30.28, 23-30.29, and 23-30.31 of the Code of Virginia and to amend the Code of Virginia by adding sections numbered 23-30.29:1, 23-30.29:2, and 23-30.29:3, relating to the issuance of bonds by public institutions of higher education and the Virginia College Building Authority to finance certain capital projects and equipment at such institutions.

[S 198]

Approved April 6, 1996

Be it enacted by the General Assembly of Virginia:

1. That §§ 23-15, 23-17, 23-19, 23-30.24, 23-30.26, 23-30.28, 23-30.29, and 23-30.31 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding sections numbered 23-30.29:1, 23-30.29:2, and 23-30.29:3 as follows:

§ 23-15. Definitions.

Whenever as used in this chapter, unless a different meaning clearly appears from the context:

~~(a)~~ "Institution" ~~shall mean~~ *means* any educational institution referred to in § 23-14 hereof.

~~(b)~~ "Board" ~~shall mean~~ *means* the board of visitors, board of trustees, or other governing body, by whatever name known, of an institution.

~~(c)~~ "Bonds" ~~shall mean~~ *means* any bonds, ~~certificates~~ *notes or other evidences* of indebtedness or other obligations of an institution issued by an institution pursuant to this chapter.

~~(d)~~ "Governor" ~~shall mean~~ *means* the Governor of the Commonwealth of Virginia.

~~(e)~~ "Project" ~~shall mean~~ *means (i)* any building, facility, addition, extension or improvement of a capital nature required by or convenient for the purposes of an educational institution, including, without limitation, administration, teaching, lecture and exhibition halls, libraries, dormitories, student apartments, faculty dwellings, dining halls, cafeterias, snack bars, laundries, hospitals, laboratories, research centers, infirmaries, field houses, gymnasiums, auditoriums, student unions, recreation centers, stadiums, athletic facilities, garages, parking facilities, warehouses and storage buildings, book and student supplies centers and all buildings, lands and any other appurtenances, *furnishings* and equipment necessary or desirable in connection therewith or incidental thereto *and (ii) any personal property at the institutions*.

~~(f)~~ "To erect" or "erection" ~~shall include~~ *includes* building, constructing, reconstructing, erecting, *demolishing*, extending, bettering, equipping, *installing, modifying*, and improving.

§ 23-17. Purposes of institutions to acquire, install, modify, and erect projects.

In addition to any other purposes provided by law or otherwise, the purpose of every institution shall be to *acquire, install, modify, and* erect any project as defined in § 23-15.

§ 23-19. Amount of bonds; purposes; resolutions; Treasury Board to be paying agent and to approve terms and structure; payment or purchase by institution; no personal liability.

(a) Every institution shall have power and is hereby authorized and empowered from time to time to execute its bonds in such aggregate principal amount as may be determined upon by its board and approved by the Governor. All such bonds shall be ~~issued and sold through~~ *approved by* the Treasury Board ~~which~~ *pursuant to § 2.1-179, and the Treasury Board* is hereby designated the ~~issuing, sales, and~~ paying agent of such institutions under this chapter. *The Treasury Board's duties shall include the approval of the terms and structure of such bonds.* Such aggregate principal amount may include without limitation any ~~engineering or inspection~~ costs *associated with the development and management of the project* or legal or accounting expenses incurred by the institution in connection with the project for the erection of which such bonds are issued, and the cost of issuance of the bonds, including printing, engraving, advertising, legal and other similar expenses.

(b) Such bonds shall be authorized by resolution of the board, approved by the Governor, and may be issued in one or more series, shall bear such date or dates, mature at such time or times, bear interest at such rate not exceeding the rate specified in § 23-30.03 payable at such time or times, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment, at such place or places, be subject to such terms of redemption, with or without premium, as such resolution or resolutions may provide. Such bonds may be sold at public or private sale for such price or prices as the board with the approval of the Governor shall determine, provided that the interest cost to maturity of the money received for any issue of such bonds shall not exceed the rate specified in § 23-30.03; however, prior to the issuance of bonds to finance any "project," the approval of the General Assembly must be obtained; and provided further, that biennially on or before the first day of September in the odd-numbered years, each educational institution shall submit to the Governor any project or projects and the estimated cost of

each separate project such educational institution desires to have financed under the provisions of this chapter, and the Governor shall consider such projects and make his recommendation to the General Assembly in the budget submitted in accordance with the provisions of § 2.1-398. Each educational institution is authorized to finance only those projects approved by the General Assembly in the appropriations act for the biennium covered by such appropriations act, which projects need not be limited to the projects recommended by the Governor.

(c) Such bonds may be issued *to finance all or a portion of the cost of any project plus amounts to fund issuance costs, reserve funds, capitalized interest for a period not to exceed one year following completion of the project and* for the corporate purpose or purposes of the institution specified by § 23-17 hereof or to carry out the powers conferred on the institution by § 23-18 hereof.

(d) Any resolution or resolutions authorizing such bonds may contain a provision or provisions which shall be part of the contract with the holders of such bonds as to:

(1) Fixing, revising, charging and collecting fees, rents and charges for or in connection with the use, occupation or services of the project and pledging the same and any increases in revenues to be derived from any existing facilities at such institution resulting from any increase in the fees, rents or charges for or in connection with the use, occupation or services of any such existing facilities to the payment of the principal of and the interest on such bonds;

(2) Fixing, revising, charging and collecting fees, rents and charges for or in connection with the use, occupation or services of any existing facilities at such institution and pledging the same to the payment of the principal of and the interest on such bonds;

(3) Fixing, revising, charging and collecting student building fees and other student fees from students enrolled at such institution and pledging the same in whole or in part to the payment of the principal of and the interest on such bonds;

(4) Pledging to the payment of the principal of and the interest on such bonds any moneys available for the use of such institution, including, but not limited to, and subject to guidelines to be promulgated by the Secretary of Finance, moneys appropriated to such institution from the general fund of the Commonwealth or from nongeneral funds, without regard to the source of such moneys, and which are not required by law or by previous binding contract to be devoted to some other purpose;

(5) Paying the cost of operating and maintaining any project and any such existing facilities from any one or more of the revenue sources mentioned in subdivisions (1), (2), (3) and (4) of this subsection creating reserves for such purposes and providing for the use and application thereof;

(6) Creating sinking funds for the payment of the principal of and the interest on such bonds, creating reserves for such purposes and providing for the use and application thereof;

(7) Limiting the right of the institution to restrict and regulate the use, occupation and services of the project and such other existing facilities or the services rendered therein;

(8) Limiting the purposes to which the proceeds of sale of any issue of bonds then or thereafter to be issued may be applied;

(9) Limiting the issuance of additional bonds;

(10) Setting forth the procedure, if any, by which the terms of any contract with the holders of such bonds may be amended or abrogated and the manner in which such consent of such holders to any such amendment or abrogation may be given; and

(11) Setting forth such other condition or conditions as may be required by the United States of America or any federal agency as a condition precedent to or a requirement in connection with the obtaining of a direct grant or grants of money for or in aid of the erection of any project, or to defray or to partially defray the cost of labor and material employed in the erection of any project, or to obtain a loan or loans of money for or in aid of the erection of any project from the United States of America or any federal agency, provided that such other condition or conditions are approved by the Governor.

(e) The power and obligation of an institution to pay any bonds issued under this chapter shall be limited. Such bonds shall be payable only from any one or more of the revenue sources mentioned in subdivisions (1), (2), (3) and (4) of subsection (d) of this section and pledged therefor pursuant to a resolution adopted under said subsection (d). Such bonds shall in no event constitute an indebtedness of the institution, except to the extent of the collection of such revenues and such institution shall not be liable to pay such bonds or the interest thereon from any other funds; and no contract entered into by the institution pursuant to subsection (b) of this section shall be construed to require the costs or expenses of operation and maintenance of the project for the erection of which the bonds are issued and any such other existing facilities to be paid out of any funds other than the revenues derived from the sources mentioned in subdivisions (1), (2), (3) and (4) of subsection (d) of this section and pledged therefor. Any provision of the general laws to the contrary notwithstanding, any bonds issued pursuant to the authority of this chapter shall be fully negotiable within the meaning and for all the purposes of Title 8.3.

(f) Neither the Governor nor the members of the board nor any person executing such bonds shall be liable personally on the bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

(g) The institution shall have power out of any funds available therefor to purchase any bonds issued

by it at a price not more than the principal amount thereof and the accrued interest. All bonds so purchased shall be cancelled unless purchased as an endowment fund investment. This paragraph shall not apply to the redemption of bonds.

(h) In any case in which an institution shall have obtained a loan for or in aid of the erection of any project from the United States of America or any federal agency, which loan requires the establishment of a debt service reserve, the institution, with the consent of the Governor, may deposit securities in a separate collateral account in an amount equal to the required debt service reserve, which securities shall be pledged to meet the debt service requirements only if the revenues derived from any one or more of the sources mentioned in subdivisions (1), (2), (3) and (4) of subsection (d) of this section and pledged for the payment of such loan become insufficient for such purpose. The face value of United States government securities and the market value of all other securities shall be deemed to be the value of any securities so deposited. Nothing herein shall be construed as prohibiting repayment of any portion of such loan from income derived from the securities so deposited. No securities shall be deposited in any such collateral account unless the same shall have been purchased with funds, the use of which is in nowise limited or restricted or shall have been donated to such institution for the purpose of establishing such debt service reserve.

§ 23-30.24. Legislative declaration; definitions.

It is hereby found, determined and declared that the providing of funds for the construction of projects of capital improvement at educational institutions within this Commonwealth is or may be hindered, impeded and delayed by the high financing costs resulting from the sale of bonds of such educational institutions in the open market, and it is desirable that a state agency be created as hereinafter provided, authorized *either (i)* to purchase such bonds in order to serve educational institution purposes by financing the construction of projects of capital improvement at less cost, thereby facilitating such construction *or (ii) to issue its own revenue bonds for purposes of paying for the costs of such projects*.

It is hereby further found, determined and declared that there is an urgent need to provide substantial amounts of new scientific, technical and other equipment for teaching, research and related activities at such educational institutions so that they may remain competitive in attracting high-quality faculty and obtaining research grants, and it is desirable that a state agency be empowered, as hereinafter provided, to purchase such equipment for lease or sale to such educational institutions in order to provide them with such equipment at the lowest possible cost, thereby facilitating the acquisition and supply of such equipment to educational institutions and increasing the purchasing power of their funds, including funds provided by tuition and fees and by appropriations from the General Assembly.

As used in this chapter, the following words and terms shall have the following meanings unless the context shall otherwise indicate:

"Authority" ~~shall mean~~ *means* the Virginia College Building Authority created by § 23-30.25, or, if said Authority shall be abolished, the board, body, commission, department or officer succeeding to the principal functions thereof or to whom the powers given by this chapter to the Authority shall be given by law.

"Bonds" means bonds, notes or other evidences of indebtedness or other obligations of the Authority pursuant to this chapter.

"Educational institution" ~~shall mean~~ *means* those institutions enumerated in § 23-14, area vocational and technical schools established under Chapter 16 (§ 23-214 et seq.) of this title, and all other schools owned and operated by the Commonwealth in which a college education is taught for less than four years.

"Equipment" ~~shall mean~~ *means* any personal property, including, but without limitation, computer hardware and software and any other improvements of all types, *including infrastructure improvements related to equipment,* to be used to support academic instruction and research, at educational institutions.

"Project" ~~shall have~~ *has* the same meaning as *it is* defined in § 23-15.

§ 23-30.26. Administration of assets, moneys or obligations.

The Authority shall manage and administer as hereinafter provided all assets, moneys or obligations that may be set aside and transferred to it by the General Assembly *or educational institutions*.

§ 23-30.28. Bonds of Authority generally.

In order to provide funds for the purchase of educational institution bonds as authorized by § 23-30.27, ~~and~~ to provide funds for the acquisition of equipment as authorized by § 23-30.27:1, *and to provide funds for the purpose of paying all or any part of the cost of any one or more projects or of any portion or portions thereof,* the Authority is hereby authorized to provide by resolution, at one time or from time to time, for the issuance of bonds of the Authority in such amount or amounts as the Authority shall determine. Such bonds of the Authority shall be payable solely from funds of the Authority, including, but without limitation, any one or more of the following: (i) payments of principal of and interest on educational institution bonds purchased by the Authority, (ii) the proceeds of the sale of any such educational institution bonds, (iii) payments of principal of and interest on obligations transferred to the Authority by the General Assembly or from other assets or moneys transferred to the Authority by the General Assembly *or educational institutions, including lease payments or any other*

source of revenue, (iv) the proceeds of the sale of any such obligations or assets, (v) the proceeds from the sale of bonds of the Authority, (vi) payments made by educational institutions under leases or sales of equipment by the Authority, (vii) funds realized from the enforcement of security interests or other liens securing such bonds, (viii) payments due under letters of credit, policies of bond insurance, bond purchase agreements or other credit enhancements securing payment of principal of and interest on bonds of the Authority, (ix) any moneys held in funds established by the Authority pursuant to § 23-30.27:1, (x) any reserve or sinking funds created to secure such payment, and (xi) other available funds of the Authority. Bonds of the Authority issued under the provisions of this chapter shall not be deemed to constitute a debt of the Commonwealth or a pledge of the faith or credit of the Commonwealth and all bonds of the Authority shall contain on the face thereof a statement to the effect that neither the faith and credit, nor the taxing power of the Commonwealth or of any political subdivision thereof is, or shall be, pledged to the payment of the principal of or the interest on such bonds.

The bonds of each issue shall be dated, shall mature at such time or times, not exceeding forty years from their date or dates, as may be determined by the Authority, and may be made redeemable before maturity, at the option of the Authority, at such price or prices and under such terms and conditions as may be fixed by the Authority prior to the issuance of the bonds. The bonds may bear interest payable at such time or times and at such rate or rates as determined by the Authority or as determined in such manner as the Authority may provide, including the determination by agents designated by the Authority under guidelines established by it. The principal and interest of such bonds may be made payable in any lawful medium. The Authority shall determine the form of the bonds and the manner of execution of the bonds, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest thereof, which may be at the office of the State Treasurer or at any bank or trust company within or without the Commonwealth. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. All revenue bonds issued under the provisions of this chapter (other than bonds registered as to principal or in registered form) shall have and are hereby declared to have, as between successive holders, all the qualities and incidents of negotiable instruments under the law of this Commonwealth. The bonds shall be in such form, shall bear interest at such rate or rates, either fixed rates or rates established by formula or other method, and may contain such other provisions, all as the Authority may determine. The principal of and premium, if any, and interest on the bonds shall be payable in lawful money of the United States of America. The Authority shall fix the denomination or denominations of the bonds and place or places of payments of principal, premium, if any, and interest at any one or more banks or trust companies within or without the Commonwealth.

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

The Authority may sell such bonds in such manner, either at public or private sale, and for such price as it may determine to be in the best interests of the Authority. The proceeds of such bonds shall be disbursed for the purposes for which such bonds shall have been issued under such restrictions, if any, as the resolution authorizing the issuance of such bonds or the trust indenture hereinafter mentioned may provide. Prior to the preparation of definitive bonds, the Authority may under like restrictions issue temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery. The Authority may also provide for the replacement of any bond which shall become mutilated or shall be destroyed or lost. Such revenue bonds may be issued without any other proceedings or the happening of any other conditions or things than the proceedings, conditions, and things which are specified and required by this chapter.

Neither the members of the Authority nor any person executing any bonds issued under the provisions of this chapter shall be liable personally on such bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

The aggregate principal amount of bonds outstanding to finance acquisition of equipment pursuant to § 23-30.27:1 shall not exceed $150 million.

No project for an institution listed in § 23-14 shall be undertaken by the Authority if such project was not specifically included in a bill passed by a majority of those elected to each house of the General Assembly, authorizing such project or projects. In addition, any such project shall have been designated by the institution's board of visitors as a project to be undertaken by the Authority.

§ 23-30.29. Security for bonds.

In the discretion of the Authority, any bonds issued under the provisions of this chapter may be secured by a trust indenture by and between the Authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without this Commonwealth. Such trust indenture or the resolution providing for the issuance of such bonds may pledge or assign all or any part of the funds of the Authority available for such purpose, including, but without limitation, (i) payments of principal of and interest on educational institution bonds purchased by the Authority, (ii)

~~the~~ proceeds of the sale of any such educational institution bonds, (iii) payments of principal of and interest on obligations transferred to the Authority by the General Assembly or from other assets or moneys transferred to the Authority by the General Assembly *or educational institutions, including lease payments and other sources of revenue*, (iv) ~~the~~ proceeds of the sale of any such obligations or assets, (v) ~~the~~ proceeds from the sale of bonds of the Authority, (vi) security interests granted by the Authority or any educational institution in, or other liens on, equipment, whether such equipment has been leased or sold to an educational institution, (vii) all or any part of the payments due the Authority from educational institutions under any leases, sale agreements, loans or other agreements made by the Authority with the educational institutions pursuant to § 23-30.27:1, and any funds realized from enforcing security for such payments, (viii) payments due under policies of bond insurance, letters of credit or other credit enhancement securing payment of principal of and interest on bonds of the Authority, (ix) any moneys in any, or all of the funds as the Authority may from time to time establish pursuant to § 23-30.27:1, (x) any reserve or sinking funds created by the Authority to secure such bonds, and (xi) other available funds of the Authority. Such trust indenture or resolution may also pledge or assign any other rights of the Authority in equipment owned by, or leases or sales of equipment made by, the Authority. Such trust indenture or resolution providing for the issuance of such bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law. Such trust indenture or resolution providing for the issuance of such bonds may provide for the creation and maintenance of such reserves as the Authority shall determine to be proper, and may include covenants setting forth the duties of the Authority in relation to the acquisition of any equipment or educational institution bonds; the care, leasing or sale of equipment to educational institutions; the substitution of any educational institution bonds, equipment, leases, security interest or other security as security for the payment of the bonds of the Authority; care, use and insurance of equipment; the repossession and sale of leased or sold equipment by the Authority or the trustee under any trust indenture upon any default under the lease or sale of such equipment; and the collection of payments due the Authority under leases or agreements of sale of equipment and payments of principal and interest on any educational institution bonds and on any obligations or other assets held by the Authority. It shall be lawful for any bank or trust company incorporated under the laws of the Commonwealth which may act as depository of the proceeds of bonds or of revenues to furnish such indemnifying bonds or to pledge such securities as may be required by the Authority. Any such trust indenture may set forth the rights and remedies of the bondholders and the trustee, and may restrict the individual right of action by bondholders. In addition to the foregoing, any such trust indenture or resolution may contain such other provisions as the Authority may deem reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of such trust indenture or resolution may be treated as a part of the administration costs of the Authority. Neither the resolution nor any trust indenture by which a pledge is created need be filed or recorded except in the records of the Authority.

§ 23-30.29:1. Reserve fund; limitations.

A. If the Authority deems it proper to create a reserve fund or funds from bond proceeds or other funds of the Authority to support an issuance of bonds in accordance with the provisions of this section, all moneys held in such reserve fund, except as hereinafter provided, shall be pledged solely for the payment of the principal of and interest on the bonds secured in whole or in part by such a fund. Any income or interest earned on, or increment to, any reserve fund may be transferred by the Authority to other funds or accounts of the Authority to the extent it does not reduce the amount of the reserve fund below its minimum requirement.

B. In order to assure further the maintenance of reserve funds established in accordance with the provisions of this section, the chairman of the Authority shall annually, on or before November 15, make and deliver to the Governor and the Secretary of Finance a certificate stating the sum, if any, required to restore each reserve fund to its minimum requirement. The Governor shall submit to the presiding officer of each house of the General Assembly printed copies of a budget including the sum, if any, required to restore each reserve fund to its minimum requirement; such submission shall be made at the time the Governor presents his budget and budget bill to the General Assembly pursuant to §§ 2.1-398 and 2.1-399. All sums, if any, which may be appropriated by the General Assembly for any restoration and paid to the Authority shall be deposited by the Authority in the applicable reserve fund. All sums paid to the Authority pursuant to this section shall constitute and be accounted for as advances by the Commonwealth to the Authority and, subject to the rights of the holders of any bonds of the Authority, shall be repaid to the Commonwealth without interest from available revenues of the Authority in excess of the amounts required for payment of bonds or other obligations of the Authority, maintenance of reserve funds, and operating expenses.

C. The Authority shall not at any time issue bonds secured in whole or in part by any reserve fund referred to in subsection A if, upon the issuance of the bonds, the amount in the reserve fund will be less than its minimum requirement unless the Authority, at the time of the issuance of the bonds, deposits in the fund an amount which, together with the amount then in the fund, will not be less than the fund's minimum reserve requirement.

D. The total principal amount of bonds outstanding at any one time, secured by a reserve fund in accordance with the provisions of this section, shall not exceed the sum of $300 million without the prior approval of the General Assembly.

E. Nothing in this section shall be construed as limiting the power of the Authority to issue bonds (i) not secured by a reserve fund or (ii) secured by a reserve fund not described in this section.

§ 23-30.29:2. Educational institutions' pledge of tuition, fees, etc.

In order to provide funds for the repayment of bonds issued by the Authority either (i) for the purchase of any educational institution's bonds or (ii) to provide funds for the purpose of paying all or any part of the cost of any one or more projects or of any portion or portions thereof, each educational institution is authorized to agree to pledge and transfer to the Authority all or a part of the educational institution's revenues derived from any one or more of the sources mentioned in subdivisions (1) through (4) of subsection (d) of § 23-19. Any agreement related to such transfer may contain such other provisions the Authority and educational institution deem reasonable and proper and not in violation of law. Any such agreement shall not be deemed to constitute a debt of the Commonwealth or a pledge of the full faith and credit of the Commonwealth. Neither the full faith and credit of the Commonwealth nor the taxing power of the Commonwealth or any political subdivision thereof is or shall be pledged to the payment of the principal of and interest on bonds so secured by such agreement. Prior to execution, any such agreement shall be approved by (i) the Secretary of Finance and (ii) the Secretary of Education.

§ 23-30.29:3. Investigation by Governor of alleged defaults; withholding of state funds from defaulting institution; payment of funds withheld; receipts, reports, etc.

A. Whenever it appears to the Governor from an affidavit filed with him by the paying agent for the bonds issued by the Authority that the institution has defaulted in the payment of the principal of or premium, if any, or interest on its bonds pursuant to this chapter, the Governor shall immediately make a summary investigation into the facts set forth in the affidavit. If it is established to the satisfaction of the Governor that the institution is in default in the payment of its bonds or the interest thereon, the Governor immediately shall make an order directing the State Comptroller to make payment immediately to the owners of the bonds in default, or the paying agent for the bonds, on behalf of the institution from any appropriation available to the institution in the amount due and remaining unpaid by the institution on its bonds.

B. Any payment so made by the State Comptroller to the owners of the bonds in default, or to the paying agent of the bonds for the bonds, shall be credited as if made directly by the institution and shall be charged by the State Comptroller against the appropriations of the institution. The owners of the bonds in default, or the paying agent for the bonds, at the time of payment or at the time of each payment shall deliver to the State Comptroller, in a form satisfactory to the State Comptroller, a receipt for payment of the principal or interest satisfied by the payment. The State Comptroller shall report each payment made to the governing body of the defaulting institution under the provisions of this section.

C. In addition, for any institution which defaulted on its bonds pursuant to this section, the Governor shall direct the State Comptroller to charge against the appropriations available to such institution all future payments of principal of and interest on the institution's bonds when due and payable and to make such payments to the owners of the bonds, or the paying agent for the bonds, on behalf of the institution so as to ensure that no future default will occur on such bonds. The charge and payment shall be made upon receipt of such documentation as in the opinion of the State Comptroller provides satisfactory evidence of the claim. The owners of the bonds, or the paying agent for the bonds, at the time of each payment shall deliver to the State Comptroller, in a form satisfactory to the State Comptroller, a receipt for payment of the principal or interest satisfied by the payment.

D. Nothing in this section shall be construed to create any obligation on the part of the State Comptroller or the Commonwealth to make any payment on behalf of the defaulting institution other than from funds appropriated to the defaulting institution.

§ 23-30.31. Powers of Authority.

In order to enable the Authority to carry out the purposes for which it is established, the Authority is vested with the powers of a public body corporate, including the power to sue and be sued, to make contracts, and to adopt and use a common seal and to alter the same, and is authorized and empowered:

~~(a)~~ *1.* To have perpetual succession as a public body corporate, and to adopt bylaws and regulations for the conduct of its affairs;

~~(b)~~ *2.* To maintain an office at such place or places as it may designate;

~~(c)~~ *3.* To collect, or to authorize the trustee under any trust indenture securing any bonds of the Authority to collect, as the same shall become due, *(i)* the principal of and the interest on all obligations transferred to the Authority by the General Assembly *and (ii) other assets or moneys transferred to the Authority by the General Assembly or educational institutions, including lease payments and other sources of revenue*;

~~(c1)~~ *4.* To conduct a program of purchasing equipment for lease or sale to educational institutions as authorized by this chapter;

~~(d)~~ *5.* To collect, or to authorize the trustee under any trust indenture securing any bonds of the Authority to collect, as the same shall become due, payments due under leases or agreements of sale of equipment *or leases or other obligations of real property* by the Authority to educational institutions, and the principal of and the interest on all educational institution bonds purchased by the Authority;

~~(d1)~~ *6.* To repossess and sell, or to authorize the trustee under any trust indenture securing any bonds of the Authority to repossess and sell, any equipment upon any default under the lease or agreement for the sale of such equipment;

7. To repossess and re-lease, or to authorize the trustee under any trust indenture securing any bonds of the Authority to repossess and re-lease, any project upon any default under the lease of such project;

~~(d2)~~ *8.* To assist educational institutions in applying for grants from, or entering into other agreements with, the federal or state government or foundations or others designed to provide guarantees of or funds for payments under leases or contracts of sale or other benefits and to enter into similar agreements with such entities itself;

~~(e)~~ *9.* To select in such manner as it deems fit, and to appoint and employ financial experts, corporate depositories, trustees, paying agents, attorneys, accountants, consulting engineers, construction experts and for such other services as may be necessary in the judgment of the Authority, and to pay their compensation and reasonable expenses either from moneys received by the Authority under the provisions of this chapter, or from appropriations made by the General Assembly for such purposes;

~~(f)~~ *10.* To issue bonds of the Authority as authorized by this chapter, and to refund any of such bonds;

~~(g)~~ *11.* To receive and accept any grants, aid or contributions from any source of either money, property, labor or other things of value, or to reject the same in the judgment of the Authority; and

~~(h)~~ *12.* To do any and all other acts and things necessary, appropriate, incidental or convenient to carrying out the powers expressly granted in this chapter.