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HOUSE BILL NO. 1005

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Appropriations
on February 10, 1996)

(Patron Prior to Substitute—Delegate Diamonstein)

A BILL 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.

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

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

67 (c) Such bonds may be issued *to finance all or a portion of the cost of any project plus amounts to*
68 *fund issuance costs, reserve funds, capitalized interest for a period not to exceed one year following*
69 *completion of the project and for the corporate purpose or purposes of the institution specified by*
70 *§ 23-17 hereof or to carry out the powers conferred on the institution by § 23-18 hereof.*

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

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

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

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

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

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

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

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

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

98 (9) Limiting the issuance of additional bonds;

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

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

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

121 (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

183 Authority shall determine. Such bonds of the Authority shall be payable solely from funds of the
184 Authority, including, but without limitation, any one or more of the following: (i) payments of principal
185 of and interest on educational institution bonds purchased by the Authority, (ii) the proceeds of the sale
186 of any such educational institution bonds, (iii) payments of principal of and interest on obligations
187 transferred to the Authority by the General Assembly or from other assets or moneys transferred to the
188 Authority by the General Assembly *or educational institutions, including lease payments or any other*
189 *source of revenue*, (iv) the proceeds of the sale of any such obligations or assets, (v) the proceeds from
190 the sale of bonds of the Authority, (vi) payments made by educational institutions under leases or sales
191 of equipment by the Authority, (vii) funds realized from the enforcement of security interests or other
192 liens securing such bonds, (viii) payments due under letters of credit, policies of bond insurance, bond
193 purchase agreements or other credit enhancements securing payment of principal of and interest on
194 bonds of the Authority, (ix) any moneys held in funds established by the Authority pursuant to
195 § 23-30.27:1, (x) any reserve or sinking funds created to secure such payment, and (xi) other available
196 funds of the Authority. Bonds of the Authority issued under the provisions of this chapter shall not be
197 deemed to constitute a debt of the Commonwealth or a pledge of the faith or credit of the
198 Commonwealth and all bonds of the Authority shall contain on the face thereof a statement to the effect
199 that neither the faith and credit, nor the taxing power of the Commonwealth or of any political
200 subdivision thereof is, or shall be, pledged to the payment of the principal of or the interest on such
201 bonds.

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

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

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

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

240 The aggregate principal amount of bonds outstanding to finance acquisition of equipment pursuant to
241 § 23-30.27:1 shall not exceed \$150 million.

242 *No project for an institution listed in § 23-14 shall be undertaken by the Authority if such project*
243 *was not specifically included in a bill passed by a majority of those elected to each house of the*
244 *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

306 restoration and paid to the Authority shall be deposited by the Authority in the applicable reserve fund.
307 All sums paid to the Authority pursuant to this section shall constitute and be accounted for as advances
308 by the Commonwealth to the Authority and, subject to the rights of the holders of any bonds of the
309 Authority, shall be repaid to the Commonwealth without interest from available revenues of the
310 Authority in excess of the amounts required for payment of bonds or other obligations of the Authority,
311 maintenance of reserve funds, and operating expenses.

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

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

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

322 § 23-30.29:2. Educational institutions' pledge of tuition, fees, etc.

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

336 § 23-30.29:3. Investigation by Governor of alleged defaults; withholding of state funds from
337 defaulting institution; payment of funds withheld; receipts, reports, etc.

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

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

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

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

367 § 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;*

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

~~(e)~~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;

~~(f)~~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.*

~~(g)~~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;

~~(h)~~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;

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

~~(j)~~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

~~(k)~~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.