

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 22.1-163 of the Code of Virginia and to amend the Code of Virginia by*
 3 *adding a section numbered 22.1-167.2, relating to the Virginia Public School Authority.*

4 [S 67]

5 Approved

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

7 **1. That § 22.1-163 of the Code of Virginia is amended and reenacted and that the Code of Virginia**
 8 **is amended by adding a section numbered 22.1-167.2 as follows:**

9 § 22.1-163. Authority created; public body corporate and agency of Commonwealth.

10 The Virginia Public School Authority is created as a public body corporate and as a political
 11 ~~subdivision~~ and an agency and instrumentality of the Commonwealth.

12 § 22.1-167.2. *Security for payment; appropriations.*

13 A. *The Authority is authorized to issue bonds to finance and refinance acquisition of bonds, notes*
 14 *and other obligations of counties, cities and towns (local school bonds) issued for the purpose of*
 15 *financing and refinancing capital projects for school purposes and to pledge to the bonds all or any*
 16 *combination of the following sources: (i) payments of principal and interest on the local school bonds*
 17 *purchased by the Authority; (ii) payments to the localities by the Commonwealth as contemplated under*
 18 *the provisions of § 15.2-2659 (state aid intercept) of the Code of Virginia; (iii) funds in the Literary*
 19 *Fund available and appropriated for such purpose; and (iv) any funds in the general fund of the*
 20 *Commonwealth appropriated for such purpose.*

21 B. *Each budget bill submitted pursuant to subsection A of § 2.1-399 and each set of gubernatorial*
 22 *amendments to the general appropriation act submitted pursuant to subsection B of § 2.1-399 shall*
 23 *include an appropriation to the Authority of a sum sufficient, as provided in the general appropriation*
 24 *act, first, from funds in the Literary Fund available for such purpose, and second, from the general fund*
 25 *of the Commonwealth, to cure any shortfall in pledged primary revenues on any debt service payment*
 26 *date on the bonds of the Authority described by this section. A shortfall in pledged primary revenues*
 27 *shall exist when the sum of the payments made on local school bonds due on or before such date and*
 28 *any proceeds derived from the implementation of § 15.2-2659 (state aid intercept) of the Code of*
 29 *Virginia as of such date is less than required to pay the debt service due on the Authority's bonds on*
 30 *such date.*

31 C. *The Literary Fund and the general fund of the Commonwealth shall be subrogated to the rights of*
 32 *the Authority to the extent of any such funds paid to the Authority and shall be entitled to enforce the*
 33 *Authority's remedies with respect to the local school bonds and to full recovery of the amount of such*
 34 *shortfall.*

35 D. *On or before September 30 of each year, the Authority shall submit to the Governor and the*
 36 *chairmen of the House Appropriations Committee and the Senate Finance Committee a report as of the*
 37 *end of the prior fiscal year detailing the total amount of the Authority's outstanding bonds secured by*
 38 *appropriations as described in subsection B. The report shall also describe any instances where any*
 39 *such appropriation has been used.*