

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.

ENROLLED

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