992625204

HOUSE BILL NO. 1986

Offered January 19, 1999

A BILL authorizing the issuance of Commonwealth of Virginia Higher Education and Related Educational Facilities Bonds in an amount not exceeding $272,300,000 for the purpose of providing funds for paying, together with any other available funds, the cost of maintaining, restoring, repairing, improving, and refurbishing the physical plants, including incidental equipment, of higher education and related educational facilities; authorizing the Treasury Board, by and with the consent of the Governor, to fix the details of such bonds and to provide for their sale at public or private sale; authorizing the Treasury Board, by and with the consent of the Governor, to borrow money in anticipation of the issuance of the bonds; authorizing the issuance of refunding bonds, by and with the consent of the Governor; providing for the pledge of the full faith and credit of the Commonwealth for the payment of the principal of and interest on the bonds and any bond anticipation notes or refunding bonds; providing that the bonds shall be exempt from all taxation by the Commonwealth and any political subdivision thereof; and providing that this act shall not become effective and that no bonds shall be issued hereunder unless this act is approved by a majority of the qualified voters of the Commonwealth voting thereon at an election, as required by Article X, Section 9 (b) of the Constitution of Virginia.

Patrons—Diamonstein, Baskerville, Brink, Councill, Croshaw, Day, Dillard, Grayson, McEachin, Melvin, Moran, Murphy, Phillips, Plum, Robinson, Shuler, Stump, Tate, Van Landingham, Van Yahres and Watts

---

Referred to Committee on Appropriations

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 Education and Related Educational Facilities Bond Act of 1999."*

§ 2. Subject to a favorable vote of a majority of the qualified voters voting on this act at the November 2, 1999, general election as hereinafter provided, the Treasury Board is hereby authorized, by and with the consent of the Governor, to sell and issue, at one time or from time to time, bonds of the Commonwealth, to be designated "Commonwealth of Virginia Higher Education and Related Educational Facilities Bonds, Series...," in an aggregate principal amount not exceeding $ 272,300,000. The proceeds of the bonds, excluding amounts needed to pay issuance costs and other financing expenses, shall be used as provided in § 6 hereof, without limitation, for the purpose of providing funds for paying, together with any other available funds, the cost of maintaining, restoring, repairing, improving, renovating, and refurbishing the physical plants, including incidental equipment, of higher education and related educational facilities as follows:

Facility	*1998-2000*
Christopher Newport University	
New Construction: Performing Arts Center	*$ 10,000,000*
Acquisition: Masterplan Properties	*$ 5,000,000*
Clinch Valley College	
Improvements: Drama Building Renovations	*$ 6,000,000*
College of William and Mary	
Improvements: Millington Hall Renovations	*$ 14,800,000*
George Mason University	

8/9/22 12:55

Improvements: Renovation of Thompson/West Academic Buildings $ 9,800,000

James Madison University

Improvements: Harrison Hall/Annex and Roop Hall Renovations $ 7,000,000

Longwood College

New Construction: Science Building $ 17,000,000

Mary Washington College

Improvements: Combs Hall Renovations $ 6,000,000

Norfolk State University

Improvements: Teacher Education Building Renovations $ 3,600,000

Old Dominion University

New Construction: Engineering and Computer Science Facility $ 19,000,000

Radford University

Improvements: Peters Hall Renovations $ 8,500,000

University of Virginia

Improvements: New Cabell Hall Infrastructure $ 8,500,000

Improvements: Renovate Fayerweather Hall $ 5,000,000

Improvements: East Precinct Chillers $ 3,300,000

Virginia Commonwealth University

Improvements: Hibbs, Pollack, and School of Business Buildings Renovations $ 4,600,000

Improvements: School of Nursing/Allied Health Renovations $ 6,700,000

Improvements: University Libraries Renovations $ 2,500,000

Virginia Community College System

New Construction: Loudoun Campus Northern Virginia, Phase II-A $ 3,500,000

Improvements: Renovation of Bird, Moyar and Godwin Halls, John Tyler $ 5,000,000

New Construction: Parham Road Campus Phase IV, J. Sargeant Reynolds $ 12,600,000

Improvements: Amherst and Bedford Halls Renovations,	
Central Virginia	*$ 2,000,000*
New Construction: Science Lab, Lord Fairfax	*$ 7,000,000*
New Construction: Workforce Development Center,	
Thomas Nelson	*$ 11,000,000*
New Construction: Workforce Development Center,	
Blue Ridge	*$ 3,000,000*
New Construction: Workforce Development Center,	
Paul D. Camp	*$ 1,000,000*
New Construction: Webber Hall Addition, Virginia Western	*$ 2,600,000*
Improvements: Instructional Renovations, Wytheville	*$ 1,200,000*
Improvements: Norfolk Campus, Phase II, Tidewater	*$ 8,900,000*
Improvements: Major Mechanical Systems, Danville, Germanna,	
Mountain Empire, Northern Virginia, Rappahannock,	
Virginia Highlands, Virginia Western	*$ 8,200,000*
Virginia Cooperative Extension and Research Station	
New Construction: Animal Sciences Facility	*$ 7,000,000*
Virginia Institute of Marine Sciences	
Improvements: Brooke and Davis Halls Renovations	*$ 5,500,000*
Virginia Military Institute	
Improvements: Nichols Engineering Hall Renovations	*$ 17,000,000*
Virginia Museum of Fine Arts	
Improvements: Renovation of Museum Interiors	*$ 5,000,000*
Virginia Polytechnic Institute and State University	
Improvements: Upper Quad Conversion, Phase II	*$ 25,000,000*
Virginia State University	
Improvements: Renovation of Daniels Gymnasium	*$ 9,500,000*

Total	*$272,300,000*

The General Assembly hereby finds and determines that the estimated useful life of the facilities listed above is in excess of twenty-five years.

Upon the request of the governing board of an educational institution, the Governor or the Governor's designee may increase or decrease the allocation to any capital project for such institution, within the total amount allocated to capital projects for such institution. To the extent that the cost of any capital project is less than the amount allocated to such capital project, the Governor or the Governor's designee may increase the amount allocated to any other project included herein. No allocation to a capital project may be increased until it has been demonstrated, to the satisfaction of the Governor or the Governor's designee, that (i) the cost of the capital project has been reduced to the extent reasonable, (ii) the capital project has not been expanded or enhanced beyond that originally approved, and (iii) the capital project is suitable and adequate for the scope originally intended. No increase in the amount allocated to any capital project shall constitute authorization for the issuance of bonds in an amount in excess of the aggregate authorized hereunder.

§ 3. The bonds shall be dated, shall mature at such time or times not exceeding twenty-five years from their date or dates and may be made redeemable before their maturity or maturities at such price or prices, all as may be determined by the Treasury Board, by and with the consent of the Governor. The bonds shall be in such form; shall bear interest at a rate or rates, either at fixed rates or at rates established by formula or other method; and may contain such other provisions, all as determined by the Treasury Board or the State Treasurer, when authorized by the Treasury Board. The principal of, premium, if any, and interest on the bonds shall be payable in lawful money of the United States of America. The Treasury Board shall fix the denomination or denominations of the bonds and the place or places for payment of the principal, premium, if any, and interest, which may be at the office of the State Treasurer or 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 the principal of, premium, if any, and interest on the bonds.

The Treasury Board may sell the bonds in such manner, either at public or private sale, and for such price as it may determine, by and with the consent of the Governor, to be in the best interests of the Commonwealth.

The "Commonwealth of Virginia Higher Education and Related Educational Facilities Bonds, Series..." authorized hereby may be issued at one time or in part from time to time or may, in the discretion of the Treasury Board, be issued and sold at the same time with any general obligation bonds of the Commonwealth authorized pursuant to Article X, Section 9 (a)(3), (b), or (c) of the Constitution of Virginia, to be designated "Commonwealth of Virginia General Obligation Bonds, Series...," either as separate issues or combined issues.

§ 4. The bonds shall be signed on behalf of the Commonwealth by the Governor or shall bear his facsimile signature and by the State Treasurer or shall bear his facsimile signature and shall bear the lesser seal of the Commonwealth or a facsimile thereof. In the event that the bonds bear the facsimile signature of the State Treasurer, the bonds shall be signed by such administrative assistant or authenticated by such agent as may be appointed by the State Treasurer. In case any officer whose signature or facsimile of whose signature appears on any bonds ceases 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. Any bond may bear the facsimile signature of, or may be signed by, such persons as at the actual time of the execution of such bond are the proper officers to sign such bond although at the date of such bond such persons may not have been such officers.

§ 5. The Treasury Board is hereby authorized, by and with the consent of the Governor, to borrow money in anticipation of the issuance of the bonds. Such bond anticipation notes shall be dated, shall mature at such time or times not exceeding five years from their date or dates, and may be redeemable before their maturity or maturities at such price or prices, all as may be determined by the Treasury Board, by and with the consent of the Governor. The bond anticipation notes shall be in such form; shall bear interest at such rate or rates, either at fixed rates or at rates established by formula or other method; and may contain such other provisions, all as determined by the Treasury Board or the State Treasurer, when authorized by the Treasury Board. Such bond anticipation notes shall be executed in the manner provided in § 4 hereof.

§ 6. Proceeds (including any premium) of the bonds (except the proceeds of bonds the issuance of which has been anticipated by bond anticipation notes) and proceeds of any bond anticipation notes shall be placed by the State Treasurer in a special capital outlay fund in the State Treasury and shall be disbursed only for the purpose for which the bonds and any bond anticipation notes have been issued. In the event that the proceeds of the bonds exceed the cost of the projects specified herein, the Treasury Board shall cause such excess proceeds to be deposited in the sinking fund hereinafter created.

The proceeds of the bonds, the issuance of which has been anticipated by bond anticipation notes, shall be used to pay such bond anticipation notes. Funds provided by the General Assembly, or from any other source, for the payment of the principal of, premium, if any, and interest on the bonds, the issuance of which has been anticipated by bond anticipation notes, shall be used to pay the principal of, premium, if any, and interest on any bond anticipation notes.

§ 7. The Treasury Board is authorized, by and with the consent of the Governor, to sell and issue, at one time or from time to time, refunding bonds of the Commonwealth, to be designated "Virginia Higher Education and Related Educational Facilities Refunding Bonds, Series...," to refund any or all of the bonds issued under this act. No refunding bonds shall be issued in a principal amount exceeding that necessary to amortize the principal of, premium, if any, and interest on the bonds to be refunded and to pay all issuance costs and other financing expenses of the refunding bonds. Such refunding bonds may be issued whether or not the bonds to be refunded are then subject to redemption. Such refunding bonds shall be issued and sold in the manner and subject to the limitations prescribed in § 3 for the issuance and sale of bonds and shall be executed in the manner provided in § 4 for the execution of bonds.

The "Commonwealth of Virginia Higher Education and Related Educational Facilities Refunding Bonds, Series..." authorized hereby may be issued at one time or in part from time to time or may, in the discretion of the Treasury Board, be issued and sold at the same time with any general obligation bonds of the Commonwealth authorized pursuant to Article X, Section 9 (a)(3), (b), or (c) of the Constitution of Virginia, to be designated "Commonwealth of Virginia General Obligation Bonds, Series ...," either as separate issues or combined issues.

§ 8. The proceeds of the refunding bonds shall be applied to (i) the payment of issuance costs and other financing expenses; (ii) the payment of matured or redeemable bonds, including any redemption premium; (iii) the payment of unmatured bonds which shall then be on deposit with a bank or trust company for surrender to the Commonwealth upon receipt therefor of a sum not exceeding the amount due on such bonds; or (iv) the establishment of an escrow or sinking fund consisting of cash and noncallable obligations of, or unconditionally guaranteed as to payment of principal and interest in full by the United States of America in an amount which together with interest to be earned on such obligations will be sufficient to pay all bonds to be refunded either at maturity or upon redemption, all as provided for upon the creation of such sinking fund. Any escrow or sinking fund established with the proceeds from the sale of any refunding bonds shall be irrevocably pledged to the payment of the bonds to be refunded, and shall be used solely to pay such bonds at maturity or upon redemption or for the purchase of not less than all of the bonds to be refunded. Any such escrow or sinking fund shall constitute a special fund for the payment of such refunding bonds, and such refunding bonds, to the extent of the amount set aside for the payment thereof in such sinking fund, shall not be included for the purposes of determining any limitations upon the amount of bonded indebtedness of the Commonwealth that may be incurred pursuant to Section 9 (b) of Article X of the Constitution of Virginia.

§ 9. The proceeds of the bonds and any refunding bonds or bond anticipation notes are hereby appropriated for disbursement from the State Treasury for the current biennium pursuant to Article X, Section 7 of the Constitution of Virginia, and § 2.1-224 of the Code of Virginia. The general conditions and general provisions of the general appropriation act enacted pursuant to Chapter 27 (§ 2.1-387 et seq.) of Title 2.1 of the Code of Virginia, in effect from time to time, and all of the terms and conditions contained therein shall apply to the capital projects listed in § 2. The Governor or his designee is hereby authorized to increase the appropriation for any project listed in § 2 by the amount of the proceeds of donations, gifts, grants or other nongeneral funds paid into the State Treasury in excess of such appropriation.

§ 10. Pending the application of the proceeds of the bonds or any bond anticipation notes to the purpose for which they have been authorized, all or any part of such proceeds may be invested by the State Treasurer in securities that are legal investments under the laws of the Commonwealth for public funds. Whenever the State Treasurer receives interest from the investment of proceeds of bonds or any bond anticipation notes, such interest shall become a part of the principal of the bonds or any bond anticipation notes and shall be used in the same manner as required for the principal of the bonds or any bond anticipation notes. However, the Treasury Board may direct that the interest received from the investment of proceeds of the bonds or any bond anticipation notes be transferred to the general fund of the State Treasury.

§ 11. The full faith and credit of the Commonwealth is hereby irrevocably pledged for the payment of the principal of and the interest on the bonds and any refunding bonds herein authorized. The proceeds of the bonds, the issuance of which has been anticipated by bond anticipation notes, are hereby irrevocably pledged for the payment of the principal of and interest on such bond anticipation notes. In addition, the Treasury Board may pledge the full faith and credit of the Commonwealth for the payment of the principal of and interest on any bond anticipation notes. If sufficient funds are not appropriated in the budget for any fiscal year for the timely payment of the principal of and the interest on the

bonds, any refunding bonds or any bond anticipation notes where the full faith and credit of the Commonwealth has been pledged, a sum sufficient to pay such principal and interest shall be set apart by direction of the Governor, from the first general fund revenues received during such fiscal year and thereafter.

In order to insure the payment of the principal of and the interest on the bonds or any refunding bonds, there is hereby created a sinking fund for such purposes in which there shall be deposited annually, beginning not later than one-tenth of the term of the bonds or refunding bonds, as the case may be, out of any available moneys in the general fund of the State Treasury, or from any other source, a sum sufficient to pay the principal of and the interest on the bonds becoming due in each year. In the event that any series of bonds or refunding bonds shall all become due in one year, there shall be deposited annually into such sinking fund, in addition to the amount necessary to pay the interest on the bonds or the refunding bonds, as the case may be, a sum sufficient for redeeming or paying all such bonds or the refunding bonds, as the case may be, by their stated maturity. The amounts of such annual deposits of principal shall be determined by the Treasury Board, by and with the consent of the Governor prior to the issuance of the bonds or the refunding bonds, as the case may be, provided that no annual deposit shall exceed the smallest previous annual deposit by more than 100 percent. Such sinking fund shall not be appropriated for any other purpose.

The moneys in such sinking fund shall be invested by the Treasury Board in accordance with the provisions of general law relating to the investment of sinking funds belonging to or within the control of the Commonwealth.

§ 12. To the extent not otherwise provided for, all expenses incurred under this act shall be paid from the proceeds of the bonds, any refunding bonds or bond anticipation notes, or from any other available funds as the Treasury Board shall determine.

§ 13. The interest on the bonds, any refunding bonds or bond anticipation notes shall at all times be exempt from taxation by the Commonwealth or by any political subdivision thereof. The interest on the bonds, any refunding bonds or bond anticipation notes may be subject to inclusion in the gross income of the holders thereof for federal income tax purposes.

§ 14. The question of the effectiveness of this act and the authorization of the bonds shall be submitted to the qualified voters of the Commonwealth at the general election to be held on November 2, 1999. Notice of the election shall be published at least twice, the first publication being at least forty-five days before the election, in such newspapers designated by the State Board of Elections which collectively circulate throughout the Commonwealth. The election shall be held; the ballots prepared, distributed and voted; and the results thereof ascertained and certified, in accordance with Title 24.2 of the Code of Virginia, relating to special elections. The ballots to be used at the election shall pose the question in substantially the following form:

QUESTION: "Shall Chapter. . . of the Acts of the General Assembly of 1999, authorizing the issuance of general obligation bonds of the Commonwealth of Virginia in the maximum amount of $ 272,300,000 pursuant to Article X, Section 9 (b) of the Constitution of Virginia for capital projects for HIGHER EDUCATION AND RELATED EDUCATIONAL FACILITIES, take effect?"

[] Yes

[] No

The State Board of Elections shall cause to be sent to the electoral boards of each county and city sufficient copies of the full text of this act and the question contained herein for the officers of election to post in each polling place on election day. The State Board of Elections shall without delay make out and transmit to the Governor and to the Treasury Board an official copy of the report of the whole number of votes cast at the election for and against the act, certified by it.

If a majority of those voting thereon vote in favor of this act, this act shall take effect, and the bonds may be issued as provided herein. If a majority of those voting thereon vote against this act, this act shall not take effect, and the bonds shall not be issued.

The expenses incurred in conducting this election shall be defrayed as in the case of election of members of the General Assembly.

§ 15. The provisions of this act or the application thereof to any person or circumstance which are held invalid shall not affect the validity of other provisions or applications of this act which can be given effect without the invalid provisions or applications.