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HOUSE BILL NO. 2088

Offered January 20, 1999

An Act to authorize the issuance of Commonwealth of Virginia Transportation Revenue Bonds Series, by and with the consent of the Governor pursuant to the provisions of §§ 33.1-267 through 33.1-295 of the Code of Virginia and as permitted by Article X, Section 9 (d) of the Constitution of Virginia, in a principal amount not exceeding \$300,000,000 to continue financing the cost of the U.S. Route 58 Corridor Development Program project plus an amount for the issuance costs, reserve funds, and other financing expenses, for the purpose of providing additional funds, with any other available funds, for paying all or a portion of the additional costs incurred or to be incurred for the continued construction of an adequate, modern, safe, and efficient highway system, generally along Virginia's southern boundary and comprising the U.S. Route 58 Corridor Development Program; authorize the Commonwealth Transportation Board to fix the details of such bonds and provide for the sale of such bonds at public or private sale; provide for the pledge under a payment agreement with the Treasury Board of Transportation Trust Fund revenues, including the U.S. Route 58 Corridor Development Fund revenues; and provide that the interest income from such bonds shall be exempt from all taxation within the Commonwealth.

Patrons—Clement, Armstrong, Bennett, Day and Ruff; Senators: Hawkins, Lucas and Reynolds

Referred to Committee on Transportation

Whereas, Chapter 8 of the 1989 (Special Session II) Acts of the Assembly provided for the issuance of bonds in a principal amount not to exceed \$600,000,000 to finance the cost of a highway system generally along Virginia's southern boundary; and

Whereas, additional funds are needed to continue the construction of the highway system; and

Whereas, Article X, Section 9 (d) of the Constitution of Virginia and §§ 33.1-267 through 33.1-295 of the Code of Virginia provide that the General Assembly may authorize the issuance of bonds secured by Transportation Trust Fund revenues under a payment agreement between the Commonwealth Transportation Board and Treasury Board, subject to appropriations by the General Assembly and payable first from revenues of the U.S. Route 58 Corridor Development Fund as established in § 58.1-815, and second, to the extent required, from other legally available revenues of the Transportation Trust Fund and any other available source of funds; and

Whereas, the projects described herein will be part of state highway systems operated and maintained by the Commonwealth Transportation Board; now, therefore,

Be it enacted by the General Assembly of Virginia:

1. § 1. This act shall be known and may be cited as the U. S. Route 58 Commonwealth of Virginia Transportation Revenue Bond Act of 1999.

§ 2. The Commonwealth Transportation Board is hereby authorized, by and with the consent of the Governor, to issue, pursuant to the provisions of §§ 33.1-267 through 33.1-295 of the Code of Virginia, at one time or from time to time, bonds of the Commonwealth to be designated "Commonwealth of Virginia Transportation Revenue Bonds, Series...", in an aggregate principal amount not exceeding \$300,000,000 to continue to finance the cost of the U.S. Route 58 Corridor Development Program (the Project), established in § 33.1-221.1:2, plus an amount for the issuance costs, reserve funds, and other financing expenses. The proceeds of such bonds shall be used exclusively for the purpose of providing funds, with any other available funds, for paying all additional costs incurred or to be incurred for continuing the construction of an adequate, modern, safe, and efficient highway system which comprises the U. S. Route 58 Corridor Development Program; such costs include environmental and engineering studies, rights-of-way acquisition, construction and related improvements.

The revenue bonds shall be issued by the Commonwealth Transportation Board and sold through the Treasury Board, which is hereby designated the sales and paying agent of the Commonwealth Transportation Board with respect to such bonds. The Treasury Board's duties shall include the approval of the terms and structure of the bonds.

§ 3. The proceeds of the bonds herein authorized shall be expended by the Transportation Board for the purpose for which they were issued.

The proceeds of the bonds may be used with any local, private or federal funds which may be made available for the Project.

§ 4. The bonds of each issue shall be dated, shall bear interest at such rate or rates, shall mature at such time or times not exceeding thirty years from their date or dates, as may be determined by the Commonwealth Transportation Board and may be made redeemable before their maturity or maturities

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HB2088

60 at such price or prices and under such terms and conditions as may be fixed by the Commonwealth
61 Transportation Board prior to the issuance of the bonds. The principal of and the interest on said bonds
62 shall be made payable in lawful money of the United States of America. The Commonwealth
63 Transportation Board shall determine the form of the bonds and fix the denomination or denominations
64 of the bonds and the place or places of payment of the principal and interest thereof, which may be at
65 the office of the State Treasurer or any bank or trust company within or without the Commonwealth.

66 All bonds issued under the provisions of this act shall have and are hereby declared to have, as
67 between successive holders, all the qualities and incidents of negotiable instruments under the negotiable
68 instruments law of the Commonwealth.

69 The bonds may be issued in coupon or in registered form or both, and in book entry form, as the
70 Commonwealth Transportation Board may determine, and provision may be made for the registration of
71 any coupon bonds as to principal alone and also as to both principal and interest, and for the
72 reconversion of any bonds registered as to both principal and interest into coupon bonds.

73 Such bonds may be sold at public or private sale for such price or prices as the Commonwealth
74 Transportation Board may determine to be in the best interest of the Commonwealth.

75 § 5. The bonds shall be signed on behalf of the Commonwealth by the Commonwealth Transportation
76 Commissioner, or bear his facsimile signature, and shall bear the official seal of the Commonwealth
77 Transportation Board and be attested by the Secretary of such Board. Any interest coupons shall bear a
78 facsimile of the signature of the Commissioner. In the event that such bonds shall bear the facsimile
79 signature of the Commissioner, the bonds shall be signed by such administrative assistant as the
80 Commissioner shall determine or by any registrar/paying agent that may be designated by the Treasury
81 Board. In case any officer whose signature, or facsimile signature, appears on any bonds or coupons
82 ceases to be such officer before the delivery of the bonds, such signature, or facsimile signature, shall
83 nevertheless be valid and sufficient for all purposes as if he had remained in office until such delivery.

84 § 6. All expenses incurred under this Act shall be paid from the proceeds of the bonds or from any
85 available funds as the Commonwealth Transportation Board shall determine. Any advance made by the
86 Board may be reimbursed from the Transportation Trust Fund or from the proceeds of the bonds or
87 notes.

88 § 7. The Commonwealth Transportation Board is hereby authorized to borrow money through the
89 execution and issuance of notes of the Commonwealth for the same, but only in the following
90 circumstances and under the following conditions:

91 a. In anticipation of the sale of the bonds the issuance of which shall have been authorized by the
92 Commonwealth Transportation Board and shall have been approved by the Governor, if the
93 Commonwealth Transportation Board shall deem it advisable to postpone the issuance of the bonds.

94 b. For the renewal of any loan evidenced by notes herein authorized.

95 § 8. The proceeds, excluding any premium, of such bonds and of the bond anticipation notes herein
96 authorized (except the proceeds of bonds the issuance of which has been anticipated by such bond
97 anticipation notes) shall be placed by the State Treasurer in a special fund in the state treasury, or with
98 his concurrence may be placed in accordance with § 33.1-283, and shall be disbursed only for the
99 purpose for which such bonds and such bond anticipation notes shall be issued, provided that proceeds
100 derived from the sale of bonds or renewal herein authorized shall be first used in the payment of any
101 bond anticipation notes that may have been issued in anticipation of the sale of such bonds and any
102 renewals of such notes.

103 § 9. The Commonwealth Transportation Board is hereby authorized to receive any other funds that
104 may be made available to pay the cost of the Project and to make available such funds for the payment
105 of the principal of and interest on the debt authorized hereby, and to enter into the appropriate
106 agreements to allow for those funds to be paid into the state treasury to pay a part of the cost of the
107 Project or to pay the principal of and interest on such debt.

108 § 10. The Commonwealth Transportation Board, prior to the issuance of such bonds, may establish a
109 minimum reserve fund requirement for the bonds.

110 § 11. The Commonwealth Transportation Board prior to the issuance of the bonds shall establish a
111 sinking fund for the payment of the bonds to the credit of which fund there shall be deposited such
112 amounts as are required to pay debt service on the bonds when due and payable for such fiscal years
113 from (i) first, revenues received by the U. S. Route 58 Corridor Development Fund pursuant to
114 § 58.1-815, (ii) then, to the extent required, revenues legally available from the Transportation Trust
115 Fund, and (iii) finally, to the extent required for the payment of the bonds, any other legally available
116 funds which shall have been appropriated by the General Assembly.

117 § 12. Bond proceeds and moneys in any reserve funds and sinking funds shall be invested by the
118 State Treasurer in accordance with the provisions of general law relating to the investment of such
119 funds belonging to or in the control of the Commonwealth, or with the State Treasurer's concurrence by
120 a trustee in accordance with § 33.1-283.

121 § 13. The interest income from, but not any profit made on the sale of the bonds, notes and coupons,

if any, issued under the provisions of this act, shall at all times be free and exempt from taxation by the Commonwealth and by any municipality, county, or other political subdivision thereof.

§ 14. All bonds and notes issued under the provisions of this act are hereby made securities in which all public officers and bodies of the Commonwealth, all counties, cities, and towns and municipal subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations, administrators, guardians, executors, trustees, and other fiduciaries in the Commonwealth may properly and legally invest funds under their control.

§ 15. If any part of this act or the application thereof to any person or circumstance is held invalid by a court of competent jurisdiction, such holding shall not affect the validity of the remainder of the provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.