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HOUSE BILL NO. 1122

Offered January 24, 2000

A BILL to amend and reenact § 33.1-23.03:4 of the Code of Virginia and to amend the Code of Virginia by adding in Title 33.1 a chapter numbered 14, consisting of sections numbered 33.1-500 through 33.1-525, relating to the Virginia Transportation Facilities Authority.

Patrons—Robinson, Callahan, Christian, Crittenden, Darner, Dickinson, Jones, J.C., Moss, Rollison, Van Landonham, Van Yahres and Williams; Senator: Miller, Y.B.

Referred to Committee on Transportation

Be it enacted by the General Assembly of Virginia:

1. That § 33.1-23.03:4 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Title 33.1 a chapter numbered 14, consisting of sections numbered 33.1-500 through 33.1-525, as follows:

§ 33.1-23.03:4. Toll Facilities Revolving Account.

A. Subject to any obligations to existing bondholders, but notwithstanding §§ 2.1-185 and 58.1-13, funds deposited into the Transportation Trust Fund pursuant to subdivision 4 of § 33.1-23.03:1 shall be held in a separate subaccount to be designated the "Toll Facilities Revolving Account," hereinafter referred to as "the Account," together with all interest, dividends, and appreciation which accrue to the Transportation Trust Fund and which are not otherwise specifically directed by law or reserved by the Board in the resolution authorizing issuance of bonds to finance toll facilities. *On July 1, 2000, the Board shall transfer the unallocated balance in the Account to the Virginia Transportation Facilities Authority, and thereafter shall transfer to the Authority on the first business day of each month all amounts deposited to the Account. Amounts so transferred shall be used by the Authority in accordance with § 33.1-523.* In addition, any funds received from the federal government or any agency or instrumentality thereof that, pursuant to federal law, may be made available, as loans or otherwise, to private persons or entities for transportation purposes, hereinafter referred to as "federal funds," shall be deposited in a segregated subaccount within the Account. Payments received with respect to any loan made from such segregated subaccount pursuant to subdivision 2 of subsection B of this section shall also be deposited into such segregated subaccount in the Account.

A1. User fees collected in excess of the annual debt service, operations and maintenance expenses, and necessary administrative costs including any obligations to the Toll Facilities Revolving Account and any other obligations for qualifying facilities with respect to which an agency of the Commonwealth is the Responsible Public Entity under the Public-Private Transportation Act of 1995 (§ 56-556 et seq.) shall be deposited and held in the "Regional Toll Facilities Revolving Subaccount," hereinafter referred to as the "Regional Account," together with all interest, dividends and appreciation for use within the metropolitan planning organization region within which the facility exists. Payments received with respect to any loan made from such Regional Account pursuant to subdivision 3 of subsection B of this section shall also be deposited into the Regional Account.

B. The Board may make allocations upon such terms and subject to such conditions as the Board deems appropriate, from the following funds for the following purposes:

1. From any funds in the Account, exclusive of those in the Regional Account, to pay or finance all or part of the costs, including the cost of planning, operation, maintenance, and improvements incurred in connection with the acquisition and construction of projects financed in whole or in part as toll facilities or to refinance existing toll facilities, provided that any such funds allocated from the Account for a planned or operating toll facility shall be considered as an advance of funding for which the Account shall be reimbursed;

2. From funds in the segregated subaccount in the Account into which federal funds are deposited in conjunction with the Public-Private Transportation Act of 1995 (§ 56-556 et seq.) and pursuant to the terms of a comprehensive agreement between a responsible public entity and a private operator as provided for in that act:

a. To make a loan to such operator to pay any cost of a qualifying transportation facility, provided that: (i) the operator's return on its investment is limited to a reasonable rate and (ii) such loan is limited to a reasonable term; or

b. To pay the Commonwealth's or its agency's portion of costs incurred or to be incurred in accordance with a comprehensive agreement with respect to a transportation facility.

All definitions of terms shall be as provided in the Public-Private Transportation Act of 1995;

3. From funds in the Regional Account:

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HB1122

60 a. To pay or finance all or part of the costs, including the cost of planning, operation, maintenance,
 61 and improvements incurred in connection with the acquisition and construction of projects financed in
 62 whole or in part as toll facilities or to refinance existing toll facilities, provided that (i) allocations from
 63 the Regional Account shall be limited to projects located within the same metropolitan planning
 64 organization region as the facility which generated the excess revenue and (ii) any such funds allocated
 65 from the Regional Account for a planned or operating toll facility shall be considered as an advance of
 66 funding for which the Regional Account shall be reimbursed; or

67 b. To pay the Commonwealth's, its agency's, or its political subdivision's costs incurred or to be
 68 incurred in accordance with a comprehensive agreement with respect to a transportation facility within
 69 the same metropolitan planning organization region as the facility which generated the excess revenue.
 70 All definitions of terms shall be as provided in the Public-Private Transportation Act of 1995; and

71 4. From any funds in the Account or Regional Account, to pay the Board's reasonable costs and
 72 expenses incurred in (i) the administration and management of the Account, (ii) its program of financing
 73 or refinancing costs of toll facilities, and (iii) the making of loans and paying of costs described in
 74 subdivisions 1 and 2 of this subsection.

75 C. The Board may transfer from the Account to the Transportation Trust Fund for allocation pursuant
 76 to subsection B of § 33.1-23.1 any interest revenues and, subject to applicable federal limitations, federal
 77 funds not committed by the Board to the purposes provided for in subsection B of this section.

78 D. The provisions of this section shall be liberally construed to the end that its beneficial purposes
 79 may be effectuated. Insofar as this provision is inconsistent with the provisions of any other general,
 80 special, or local law, this provision shall be controlling.

81 E. If any provision of this section or the application thereof to any person or circumstances is held
 82 invalid by a court of competent jurisdiction, invalidity shall not affect other provisions or applications of
 83 this section that can be given effect without the invalid provision or application, and to this end the
 84 provisions of this section are declared to be severable.

85 CHAPTER 14.

86 VIRGINIA TRANSPORTATION FACILITIES AUTHORITY ACT

87 § 33.1-500. Short title.

88 *This chapter shall be known and may be cited as the Virginia Transportation Facilities Authority*
 89 *Act.*

90 § 33.1-501. Legislative findings and purposes.

91 *The General Assembly finds that there exists in the Commonwealth a critical need for additional*
 92 *sources of funding to finance the present and future needs of the Commonwealth for highways, streets,*
 93 *roads, bridges, tunnels, and other transportation facilities, including mass transit. This need can be*
 94 *alleviated in part through the creation of a state authority with the power to issue revenue bonds*
 95 *approved by the General Assembly to finance transportation facilities. The General Assembly determines*
 96 *that the creation of an authority for this purpose is in the public interest; serves a public purpose; and*
 97 *will promote the health, safety, welfare, convenience, or prosperity of the people of the Commonwealth.*

98 § 33.1-502. Definitions.

99 *As used in this chapter, unless a different meaning clearly appears from the context:*

100 *"Authority" means the Virginia Transportation Facilities Authority created by this chapter.*

101 *"Board of Directors" means the Board of Directors of the Authority.*

102 *"Bonds" means any bonds, notes, debentures, interim certificates, bond, grant or revenue anticipation*
 103 *notes, lease and sale-leaseback transactions, or any other evidence of indebtedness of the Authority.*

104 *"Cost", as applied to any transportation facility financed under the provisions of this chapter, means*
 105 *the total of all costs incurred as reasonable and necessary for carrying out all works and undertakings*
 106 *necessary or incident to the accomplishment of such facility. It includes, without limitation, all necessary*
 107 *developmental, planning, traffic and feasibility studies; surveys, plans and specifications, architectural,*
 108 *engineering, financial, legal or other special services; technology research, development or deployment;*
 109 *the cost of acquisition whether by purchase or condemnation of land, any interest therein and any*
 110 *buildings and improvements located thereon, including the discharge of any obligations of the sellers of*
 111 *such land, buildings and improvements, site preparations and development, including demolition and*
 112 *removal of existing structures, construction, reconstruction, labor, materials, machinery, equipment, the*
 113 *costs of financing interest and other financing charges incurred before placing the transportation facility*
 114 *in service; interest on indebtedness incurred to finance the transportation facility to a date subsequent*
 115 *to the estimated date the transportation facility is to be placed in service, necessary expenses incurred*
 116 *in connection with placing the transportation facility in service, the funding of accounts and reserves*
 117 *which the Authority may require, and the cost of the other items which the Authority determines to be*
 118 *reasonable and necessary in carrying out the powers granted to it under this chapter.*

119 *"Mass transit" means transportation by bus or rail or other surface conveyance, including ferries,*
 120 *which provides to the public general or special service (but not including school buses or charter or*
 121 *sight-seeing service) on a regular or continuing basis.*

"Transportation facility" means (i) any highway, road, street, or international connection, including all bridges, tunnels, overpasses, underpasses, interchanges, entrance plazas, approaches, parking, drainage, barriers, landscaping, traffic controls and signals, advanced technology including necessary research, testing, or predevelopment evaluation and service administration, storage and other buildings, (ii) any mass transit facility together with any highways, roads, or streets and related appurtenances as necessary, appropriate or convenient, (iii) any such transportation facility at a state institution or institution of higher education, any other facilities which the Authority may deem necessary or convenient for the operation of any such facility, and (iv) all real, personal or intangible property, rights, easements, and interests that may be acquired for the construction or the operation of any such facility.

§ 33.1-503. Creation of Authority.

The Authority is created, with the duties and powers set forth in this chapter, as a public body corporate and as a political subdivision of the Commonwealth. The exercise by the Authority of the duties and powers conferred by this chapter shall be deemed to be the performance of an essential governmental function of the Commonwealth.

§ 33.1-504. Board of Directors, officers, and staff.

A. All powers, rights, and duties conferred by this chapter or other provisions of law upon the Authority shall be exercised by a Board of Directors of nine members, consisting of the Chairman and Vice Chairman of the Commonwealth Transportation Board, three other members of the Commonwealth Transportation Board, designated by the Chairman, who shall serve terms which are concurrent with their terms on the Commonwealth Transportation Board, and four other persons from the Commonwealth at large who shall have familiarity and experience with transportation and transportation finance concerns. The four at-large members shall be appointed by the Governor. Any vacancy in the membership of the Board of Directors shall be filled by appointment of the Chairman for the unexpired term of the member whose death, resignation or removal created the vacancy. Members may serve successive terms on the Board of Directors. Each member of the Board of Directors shall be reimbursed for his or her reasonable expenses incurred in attendance at meetings or when otherwise engaged in the business of the Authority and shall be compensated at the rate provided in § 2.1-20.3 for each day or portion thereof in which the member is engaged in the business of the Authority.

B. The Chairman of the Commonwealth Transportation Board shall serve as Chairman of the Board of Directors and shall be the chief executive officer of the Authority. The Vice Chairman of the Commonwealth Transportation Board shall serve as Vice Chairman of the Board of Directors and shall exercise the Chairman's powers in the absence of the Chairman or as directed by the Chairman. The Board of Directors may elect from its members a treasurer and a secretary. The same member may serve as both secretary and treasurer.

C. Meetings of the Board of Directors shall be held at least quarterly or at the call of the chairman or of any three members. Five members of the Board of Directors shall constitute a quorum for the transaction of the business of the Authority. An act of the majority of the members of the Board of Directors present at any regular or special meeting at which a quorum is present shall be an act of the Board of Directors. No vacancy on the Board of Directors shall impair the right of a majority of a quorum of the members of the Board of Directors to exercise all the rights and perform all the duties of the Authority.

D. No officer or employee of the Commonwealth shall be deemed to have forfeited or shall have forfeited his office or employment by reason of acceptance of membership on the Board of Directors or by providing service to the Authority.

E. The Virginia Department of Transportation shall provide staff, office space and equipment to the Authority, except that the Authority may hire an executive director, a chief financial officer, and appropriate staff from any funds available to the Authority. The Authority shall request the assistance of the Department of Transportation in connection with the design, construction, and maintenance of each transportation facility. If the Department elects not to provide assistance, or the parties are not able to agree on the terms of assistance with the respect to a particular facility, the Authority may elect to provide for such services under the general authority granted pursuant to this chapter. The Department of Transportation shall be compensated for its services as mutually agreed upon by the parties.

§ 33.1-505. Powers of Authority.

A. The Authority is created for the purpose of acquiring, constructing, improving, maintaining, and operating transportation facilities in the Commonwealth. The Authority shall not undertake construction of any transportation facility unless (i) specifically authorized to do so in a bill or resolution passed by each house of the General Assembly or (ii) requested to do so by resolution of the Commonwealth Transportation Board. The Authority is granted all powers necessary or appropriate to carry out and to effectuate its purposes, including, without limitation, the following:

1. To have perpetual succession as a public body corporate and as a political subdivision of the

183 *Commonwealth.*

184 2. *To adopt, amend and repeal bylaws, and regulations, not inconsistent with this chapter, for the*
185 *administration and regulation of its affairs and to carry into effect the powers and purposes of the*
186 *Authority and the conduct of its business;*

187 3. *To sue and be sued in its own name;*

188 4. *To have an official seal and alter it at will, although the failure to affix the seal shall not affect*
189 *the validity of any instrument executed on behalf of the Authority;*

190 5. *To maintain an office at any place within the Commonwealth which it designates in lieu of or in*
191 *addition to offices provided by the Virginia Department of Transportation.*

192 6. *To make and execute contracts and all other instruments and agreements necessary or convenient*
193 *for the performance of its duties and the exercise of its powers and functions under this chapter*
194 *including, without limitation, contracts with the Department of Transportation for the acquisition,*
195 *construction, equipping, operation, and maintenance of any transportation facility;*

196 7. *To sell, convey, mortgage, pledge, encumber, lease, exchange, transfer, and otherwise dispose of*
197 *all or any part of its properties and assets;*

198 8. *To employ officers, employees, agents, advisers and consultants, including without limitation,*
199 *attorneys, financial advisers, engineers and other technical advisers, and public accountants and to*
200 *determine their duties and compensation without the approval of any other agency or instrumentality;*

201 9. *To procure insurance in amounts and from insurers of its choice or to provide for self-insurance*
202 *against any loss in connection with its property, assets or activities, including insurance against liability*
203 *for its acts or the acts of its directors, employees or agents and for the indemnification of the members*
204 *of its Board of Directors;*

205 10. *To procure insurance, guarantees, letters of credit, and other forms of collateral or security from*
206 *any public or private entities, including any department, agency, or instrumentality of the United States*
207 *of America or the Commonwealth, for the payment of any bonds issued by the Authority, including the*
208 *power to pay premiums or fees on any such insurance, guarantees, letters of credit and other forms of*
209 *collateral or security;*

210 11. *To receive and accept from any public or private source aid, grants and contributions of money,*
211 *property, labor or other things of value to be held, used and applied to carry out the purpose of this*
212 *chapter subject to the conditions upon which the aid, grants or contributions are made;*

213 12. *To enter into agreements with any department, agency or instrumentality of the United States of*
214 *America, the Commonwealth, or any of its political subdivisions or institutions and related foundations,*
215 *or any regional transportation district or commission, the District of Columbia, or any adjoining state*
216 *or any of its political subdivisions or regional transportation districts or commissions for the purpose of*
217 *planning, regulating, and providing for the financing of any transportation facilities;*

218 13. *To collect, or to authorize the trustee under any resolution or trust indenture securing any bonds*
219 *to collect, amounts due under any leases, agreements or obligations owned by the Authority;*

220 14. *To acquire, purchase, hold, and use any property, real, personal, or mixed, tangible or*
221 *intangible, or any interest therein necessary or desirable for carrying out the purposes of the Authority,*
222 *and, without limitation of the foregoing, to lease as lessee any property, real, personal or mixed, or any*
223 *interest therein for a term not exceeding ninety-nine years at a nominal rental or at such annual rental*
224 *as may be determined and to lease as lessor to the Commonwealth or any city, county, town, regional*
225 *transportation district or commission, or other political subdivision of the Commonwealth, or any*
226 *agency, department, or public body of the Commonwealth, any transportation facility at any time*
227 *constructed or acquired by the Authority, and any property, real, personal or mixed, tangible or*
228 *intangible, or any interest therein, at any time acquired by the Authority, whether wholly or partially*
229 *completed, and to sell, transfer, and convey to the Commonwealth or any of its political subdivisions, or*
230 *institutions, or regional transportation districts or commissions any transportation facility at any time*
231 *constructed or acquired by the Authority and any property, real, personal or mixed, tangible or*
232 *intangible, or any interest therein, at any time acquired by the Authority;*

233 15. *To acquire by purchase, lease, or otherwise, including acquisitions of existing transportation*
234 *facilities and the assumption of any indebtedness related thereto from the Commonwealth, any of its*
235 *political subdivisions, agencies or instrumentalities, or any regional transportation districts or*
236 *commissions; to construct, improve, furnish, maintain, repair, and operate transportation facilities and*
237 *pay all costs and expenses associated therewith; and to enter into contracts with public or private*
238 *entities, including the Commonwealth or any of its political subdivisions, agencies or instrumentalities*
239 *or regional transportation districts or commissions, for the operation and maintenance thereof.*

240 16. *To fix, alter, charge, and collect tolls, fees, rates, rentals, and other charges by agreement or*
241 *otherwise for the use of all or any portion of a transportation facility, or for the services rendered by*
242 *the Authority in connection with any such facility, regardless of whether money has been borrowed in*
243 *connection therewith, at reasonable rates, to be determined solely by the Authority, and which shall not*
244 *be regulated by any other board, bureau or commission of the Commonwealth, for the purpose of*

providing for (i) the payment of the expenses of the Authority, (ii) the construction, improvement, repair, furnishing, maintenance, and operation of any one or more of its transportation facilities and properties, (iii) the payment of the principal of and interest on its obligations and related fees and expenses for any one or more of its transportation facilities, and (iv) to fulfill the terms and provisions of any agreements made with the purchasers or holders of any such obligations.

17. To invest or reinvest its funds as provided in this chapter or permitted by applicable law; and

18. To do any act necessary or convenient to the exercise of the powers granted or reasonably implied by this chapter.

B. Pursuant to subsection A of this section and § 33.1-506, the General Assembly authorizes the Authority to acquire the following transportation facilities and provisions of the applicable financing documents, and to exercise any and all powers granted to the Authority by law in connection therewith:

1. The Dulles Toll Road;

2. The Powhite Parkway Extension Toll Road; and

3. The George P. Coleman Memorial Bridge.

§ 33.1-506. Power to borrow money and issue bonds.

The Authority shall have the power to borrow money and issue its bonds in amounts the Authority determines to be necessary or convenient to provide funds to carry out its purposes and powers, to pay all or any part of the cost of any one or more transportation facilities, and to pay all costs and expenses incurred in connection with the issuance of bonds. The Authority shall not issue any bonds or incur any debt without the prior approval of the General Assembly. The total principal amount of bonds of the Authority outstanding at any one time, less any amounts set aside in sinking or escrow funds for the payment of such bonds, shall not exceed \$3 billion. Debt assumed in connection with the acquisition of existing transportation facilities shall not be included in this limit.

§ 33.1-507. Power to issue refunding bonds.

The Authority shall have the power, without the need for the approval of any other person or entity: (i) to issue bonds to renew or to pay its bonds, including the interest accrued thereon, (ii) to refund by the issuance of new bonds, whenever it deems refunding expedient, any bonds issued to finance the costs of any transportation facility, whether or not the bonds to be refunded have matured, and (iii) to issue bonds partly to refund bonds then outstanding and partly for its corporate purposes. The refunding bonds may be exchanged for the bonds to be refunded or they may be sold and the proceeds applied to the purchase, redemption, or payment of the bonds to be refunded. The amount of the refunding bonds issued by the Authority shall not be included in the total of outstanding bonds for purposes of the limit on the amount of bonds issued by the Authority as provided in § 33.1-506.

§ 33.1-508. Sources of payment and security for bonds.

The Authority shall have the power to pledge any revenue or funds of or under the control of the Authority to the payment of its bonds, subject only to any prior agreements with the holders of particular bonds pledging money or revenue. Bonds may be secured by a pledge or any leases, contracts, or similar agreements or obligations owned by the Authority, any grant, contribution, or guaranty from the United States of America, the Commonwealth, or any political subdivision thereof or any corporation, association, institution, or person, any other property or assets of or under the control of the Authority, or a pledge of any money, income or revenue of the Authority from any source.

§ 33.1-509. Liability of Commonwealth, political subdivisions, and members of Board of Directors.

No bonds issued by the Authority under this chapter shall constitute a debt or a pledge of the faith and credit of the Commonwealth or any of its political subdivisions other than the Authority, but shall be payable solely from the revenue, money, or property of the Authority pledged therefor as provided for in this chapter. No member of the Board of Directors or officer, employee, or agent of the Authority or any person executing bonds of the Authority shall be liable personally on the bonds by reason of their issuance or execution. Each bond issued under this chapter shall contain on its face a statement to the effect that (i) neither the Commonwealth nor any political subdivision thereof nor the Authority shall be obligated to pay the principal of or interest or premium on the bond or other costs incident to the bond except from the revenue, money or property of the Authority pledged therefor and (ii) neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to the payment of the principal of or interest or premium on the bond. This section shall not be construed so as to prevent the Authority from agreeing by lease or otherwise to convey a transportation facility to the Commonwealth or any of its political subdivisions or any regional transportation district or commission under any arrangement in which the revenues from such transaction would be used pursuant to a pledge or otherwise to pay all or a portion of the payments or any bonds issued in connection with such facility.

§ 33.1-510. Authorization, content, and sale of bonds.

The bonds of the Authority shall be authorized by a resolution of the Board of Directors. The bonds shall bear the date or dates and mature at the time or times that the resolution provides, except that no

306 bond shall mature more than fifty years from its date of issue. The bonds may be in certificated or such
307 other form, be in the denominations, be executed in the manner, be payable in the medium of payment,
308 be payable at the place of repurchase and contain such other provisions as may be determined by the
309 Authority before their issuance. The bonds may bear interest payable at such time or times and at such
310 rate or rates as determined by the Authority or as determined in such manner as the Authority may
311 provide, including the determination by reference to indices or formulas or by agents designated by the
312 Authority under guidelines established by it. Bonds may be sold by the Authority at public or private
313 sale at the price or prices that the Authority determines and approves. The Authority may bring action
314 pursuant to Article 6 (§ 15.2-2650 et seq.) of Chapter 26 of Title 15.2 to determine the validity of any
315 issuance or proposed issuance of its bonds under this chapter and the legality and validity of all
316 proceedings previously taken or proposed in a resolution of the Authority to be taken, for the
317 authorization, issuance, sale and delivery of bonds and for the payment of the principal of and premium,
318 if any, and interest on bonds.

319 § 33.1-511. Provisions of resolution or trust indenture authorizing issuance of bonds.

320 A. Bonds may be secured by a trust indenture between the Authority and a corporate trustee, which
321 may be any bank having the power of a trust company or any trust company within or without the
322 Commonwealth. A trust indenture or resolution authorizing the issuance of bonds may contain
323 provisions for protecting and enforcing the rights and remedies of the bondholders that are reasonable
324 and proper and not in violation of law, including covenants setting forth the duties of the Authority in
325 relation to the exercise of its powers and the custody, safekeeping and application of all money. The
326 Authority may provide by the trust indenture or the resolution for the payment of the proceeds of the
327 bonds and all or any part of the revenues of the Authority to the trustee under the trust indenture or to
328 some other depository, and for the method of their disbursement with whatever safeguards and
329 restrictions as the Authority specifies. All expenses incurred in carrying out the trust indenture may be
330 treated as part of the operating expenses of the Authority.

331 B. Any resolution or trust indenture pursuant to which bonds are issued may contain provisions
332 which shall be part of the contract or contracts with the holders of such bonds as to:

333 1. Pledging all or any part of the revenue of the Authority to secure the payment of the bonds,
334 subject to any agreements with bondholders that then exist;

335 2. Pledging all or any part of the assets of or funds under control of the Authority, including leases,
336 agreements or obligations owned by the Authority, to secure the payment of the bonds, subject to any
337 agreements with bondholders that then exist;

338 3. The rates, fees, tolls, rents, charges, and other revenue or receipts and the amounts to be raised
339 in each year by the Authority and the use and disposition thereof;

340 4. The establishment of reserves, sinking funds and other funds and accounts and the regulations and
341 disposition thereof;

342 5. Limitations on the purposes to which the proceeds from the sale of the bonds may be applied, and
343 limitations on the nature and extent of the pledge of proceeds to secure the payment of the bonds;

344 6. Limitations on the issuance of additional bonds, the terms on which additional bonds may be
345 issued and secured, and the refunding of outstanding or other bonds;

346 7. The procedure, if any, by which the terms of any contract with bondholders may be amended or
347 abrogated, the amount of bonds, if any, the holders of which must consent thereto, and the manner in
348 which any consent may be given;

349 8. Limitations on the amount of money to be expended by the Authority for operation expenses of the
350 Authority;

351 9. Vesting in a trustee or trustees any property, rights, powers, and duties in trust that the Authority
352 may determine, and limiting or abrogating the right of bondholders to appoint a trustee or limit the
353 rights, powers, and duties of the trustees;

354 10. Defining the acts or omissions which shall constitute a default, the obligations or duties of the
355 Authority to the holders of the bonds, and the rights and remedies of the holders of the bonds in the
356 event of default, including as a matter of right the appointment of a receiver, and which may include
357 rights and remedies provided under the general laws of the Commonwealth and other provisions of this
358 chapter;

359 11. Provisions necessary to qualify the interest on the bonds for exclusion from income for federal
360 income tax purposes, and other provisions required of federal or states' agencies in connection with
361 grants, loans and other aid; and

362 12. Any other matter, of like or different character, relating to the terms of the bonds or the security
363 or protection of the bonds.

364 § 33.1-512. Pledge by Authority.

365 Any pledge made by the Authority to secure its bonds shall be valid and binding from the time when
366 the pledge is made. The revenue, money, or property so pledged and thereafter received by the Authority
367 shall immediately be subject to the lien of such pledge without any physical delivery thereof or further

act. Furthermore, the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the Authority, irrespective of whether the parties have notice of the pledge. No recording or filing of the resolution authorizing the issuance of bonds, the trust indenture securing bonds or any other instrument, including filings under the Uniform Commercial Code — Secured Transactions (§ 8.9-101 et seq.), shall be necessary to create or perfect any pledge or security interest granted by the Authority to secure any bonds.

§ 33.1-513. Purchase of bonds by Authority.

The Authority, subject to such agreements with bondholders as may then exist, shall have the power to purchase bonds of the Authority out of any available funds, at any reasonable price. If the bonds are then redeemable, this price shall not exceed the redemption price then applicable plus accrued interest to the next interest payment date.

§ 33.1-514. Bonds as negotiable instruments.

Whether or not in form and character of negotiable instruments, the bonds of the Authority are hereby made negotiable instruments, subject only to provisions of the bonds relating to registration.

§ 33.1-515. Validity of signatures of prior members or officers.

In the event that any of the members of the Board of Directors or any officers of the Authority cease to be members or officers before the delivery of any bonds signed by them, their signatures or authorized substitute signatures shall nevertheless be valid and sufficient for all purposes as if the members or officers had remained in office until delivery.

§ 33.1-516. Bondholder protection.

Subsequent amendments to this chapter shall not limit the rights vested in the Authority with respect to any agreements made with, or remedies available to, the holders of bonds issued under this chapter before the enactment of the amendments until the bonds, together with all premium and interest thereon, and all costs and expenses in connection with any proceeding by or on behalf of the holders, are fully met and discharged.

§ 33.1-517. Grants or loans.

The Authority is authorized to accept, receive, receipt for, disburse, and expend federal and state money and other money, public or private, made available by grant or loan or both, to accomplish, in whole or in part, any of the purposes of this chapter. All federal money accepted under this section shall be accepted and expended by the Authority upon such terms and conditions as are prescribed by the United States and as are consistent with state law; and all state money accepted under this section shall be accepted and expended by the Authority upon such terms and conditions as are prescribed by the Commonwealth.

§ 33.1-518. Competition in award of contracts; contractors to give surety; terms of contracts.

If any transportation facility shall be constructed or furnished pursuant to a contract with an estimated cost in excess of \$25,000, such contract shall be solicited in accordance with the provisions of the Virginia Public Procurement Act (§ 11-35 et. seq.). Contracts of \$25,000 or less may be awarded on the basis of written procedures established by the Authority providing for competition whenever practicable. The Authority may promulgate regulations for the submission of bids and the construction, furnishing, or improvement of any transportation facility. No contract shall be entered into for construction, furnishing, or improvement of any transportation facility, or for the purchase of materials, unless the contractor shall give an undertaking with a sufficient surety or sureties approved by the Authority, and in an amount fixed by the Authority in accordance with § 11-58, for the faithful performance of the contract, and such contract shall be accompanied by an additional bond for the protection of those who furnish labor and material or rental equipment for such amount and subject to the same terms and conditions as established by the Authority in accordance with § 11-58. All construction contracts shall provide, among other things, that the person or corporation entering into such contract, and that person or corporation furnishing such materials, rental equipment, or rendering such services may maintain an action to recover amounts due against the obligor in the undertaking as though such person or corporation was named therein, provided the action is brought within one year after the time the cause of action accrued. The additional bond shall be conditioned upon the prompt payment of actual equipment rentals and shall not be conditioned upon or guarantee payment of equipment rentals, all or any part of which, directly or indirectly, apply on the purchase price of such equipment under the terms of a bailment lease or conditional sales contract or by any other arrangement by which title to the equipment will be transferred to the contractor and the rentals from any part of the consideration.

Subject to the preceding paragraph, the Authority may, but without intending by this provision to limit any powers of the Authority, enter into and carry out such contracts, or establish or comply with such rules and regulations concerning labor and materials, rental of equipment and other related matters in connection with any transportation facility as the Authority may deem desirable.

§ 33.1-519. Exemption from taxation.

429 As set forth in § 33.1-501, the Authority will be performing an essential governmental function in the
430 exercise of the powers conferred upon it by this chapter. Accordingly, the Authority shall not be
431 required to pay any taxes or assessments upon any transportation facility or any property or upon any
432 operations of the Authority or the income therefrom, or any taxes or assessments upon any
433 transportation facility or any property or lease acquired or used by the Authority under the provisions
434 of this chapter or upon the income therefrom. Any bonds issued by the Authority under the provisions of
435 this chapter, the transfer thereof and the income therefrom, including any profit on the sale thereof,
436 shall at all times be free from taxation and assessment of every kind by the Commonwealth and by the
437 local governments and other political subdivisions of the Commonwealth.

438 § 33.1-520. Bonds as legal investments and securities.

439 The bonds issued by the Authority in accordance with the provisions of this chapter are declared to
440 be legal investments in which all public officers or public bodies of the Commonwealth, its political
441 subdivisions, all municipalities and municipal subdivisions; all insurance companies, savings banks,
442 savings associations, including savings and loan associations, building and loan associations, investment
443 companies, and other persons carrying on a banking business; all administrators, guardians, executors,
444 trustees and other fiduciaries; and all other persons who are now or may hereafter be authorized to
445 invest in bonds or other obligations of the Commonwealth, may invest funds, including capital, in their
446 control or belonging to them. The bonds of the Authority are also made securities which may be
447 deposited with and received by all public officers and bodies of the Commonwealth and all
448 municipalities and public corporations for any purpose for which the deposit of bonds or other
449 obligations of the Commonwealth is now or may be later authorized by law.

450 § 33.1-521. Money of Authority.

451 Except for money pledged by the Authority to secure its bonds which shall be held and paid as
452 provided in the applicable resolution or indenture, all money of the Authority, from whatever source
453 derived, shall be paid to the Authority and deposited by the treasurer or such other officer or agent as
454 the Authority may designate in one or more banks or trust companies in one or more special accounts.
455 Each of such special accounts shall be held and invested in accordance with Chapter 18 (§ 2.1-327 et
456 seq.) of Title 2.1. The money in such accounts shall be paid out on the drafts or other order of the
457 treasurer of the Authority, or of such other person or persons as the Authority may authorize to execute
458 such drafts or orders. Investments of the Authority, including investments relating to its bonds, may be
459 the subject of contracts referred to generally as interest rate swap agreements or futures contracts
460 providing for payments based on levels of or changes in interest rates. The Auditor of Public Accounts
461 of the Commonwealth, and his legally authorized representatives are authorized and empowered from
462 time to time to examine the accounts and books of the Authority, including its receipts, disbursements,
463 contracts, leases, sinking funds, investments, and any other matters relating to its finances, operation
464 and affairs.

465 § 33.1-522. Transfers from the Toll Facilities Revolving Account.

466 Money transferred by the Commonwealth Transportation Board to the Authority from the Toll
467 Facilities Revolving Account pursuant to § 33.1-23.03: 4 shall be held by the Authority in a special
468 account to be designated the "Virginia Transportation Facilities Authority Revolving Account" to be
469 used for any of the Authority's authorized purposes, including use in whole or in part as security for
470 bonds or other indebtedness of the Authority.

471 § 33.1-523. Records and reports; audit.

472 The Authority shall maintain proper books and records of its operations, and following the close of
473 each fiscal year shall prepare complete operation and financial statements for the Authority for the
474 fiscal year in accordance with generally accepted accounting principles. The financial statements shall
475 be audited by the Auditor of Public Accounts or an independent public account designated by the
476 Auditor of Public Accounts.

477 § 33.1-524. Laws Applicable to Facilities.

478 Except as otherwise provided in this chapter or in any resolution or indenture with respect to a
479 particular transportation facility, operations of transportation facilities and the conduct and behavior of
480 users thereof shall be governed by the laws of the commonwealth and regulations of its agencies that
481 apply generally to facilities of the type owned or operated by the Authority. Persons and entities
482 described in § 33.1-252 shall be entitled to free use of all transportation facilities for which tolls or
483 other user fees are charged.

484 § 33.1-525. Liberal construction of chapter.

485 The provisions of this chapter shall be liberally construed to the end that its beneficial purpose may
486 be effectuated. No proceedings, notice or approval shall be required for the issuance of any bonds of
487 the Authority or any instruments or the security thereof, except as provided in this chapter. Insofar as
488 the provisions of this chapter are inconsistent with the provisions of any other law, general, special or
489 local, the provisions of this chapter shall be controlling.