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**HOUSE BILL NO. 517****AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the House Committee for Appropriations  
on January 31, 2000)

(Patron Prior to Substitute—Delegate Clement)

*A BILL to amend and reenact §§ 2.1-234.13 and 38.2-401 of the Code of Virginia, and to authorize the issuance of bonds by the Virginia Public Building Authority, all relating to financing grants for projects under the Fire Services Grant Fund Program.*

**Be it enacted by the General Assembly of Virginia:****1. That §§ 2.1-234.13 and 38.2-401 of the Code of Virginia are amended and reenacted as follows:**

§ 2.1-234.13. Purposes and general powers and duties of Authority.

The Authority is created for the purpose of constructing, improving, furnishing, maintaining, acquiring, financing, refinancing, and operating public buildings for the use of the Commonwealth (heretofore or hereafter constructed), state arsenals, armories, and military reserves, state institutions of every kind and character (heretofore and hereafter constructed), additions and improvements to land grant colleges, state colleges, universities and medical colleges, and the purchase of lands for rehabilitation purposes in connection with state institutions and for use of state colleges, and museum facilities for a trust instrumentality of the United States, and the purchase of lands for the development of public buildings which may be authorized by the General Assembly in the future, the acquisition of items of personal property for the use of the Commonwealth, *the financing of fire training facilities in accordance with the Fire Services Grant Fund Program pursuant to § 38.2-401 D*, and the financing or refinancing of reimbursements to localities or regional jail authorities of all or any portion of the Commonwealth's share of the costs for jail projects made pursuant to §§ 53.1-80, 53.1-81, 53.1-82, or § 53.1-95.19, and the refinancing of (i) bonds issued by other state and local authorities or political subdivisions of the Commonwealth where such bonds are secured by a lease or other payment agreement with the Commonwealth or (ii) the Commonwealth's obligations under such leases (any and all of the foregoing being herein called "projects"), the purpose and intent of this article being to benefit the people of the Commonwealth by, among other things, increasing their commerce and prosperity. The Authority shall not undertake or finance or refinance any project or projects which are not specifically included in a bill or resolution passed by a majority of those elected to each house of the General Assembly, authorizing such project or projects or the reimbursement of all or any portion of the Commonwealth's share of the costs of such project or projects and, as to any project relating to a state institution of higher education, not specifically designated by the board of visitors of that institution as a project to be undertaken by the Authority. The Authority is hereby granted and shall have and may exercise all powers necessary or convenient for the carrying out of the aforesaid purposes, including, but without limiting the generality of the foregoing, the following rights and powers:

1. To have perpetual existence as a corporation.

2. To sue and be sued, implead and be impleaded, complain and defend in all courts.

3. To adopt, use, and alter at will a corporate seal.

4. To acquire, purchase, hold and use any property, real, personal or mixed, tangible or intangible, or any interest therein necessary or desirable for carrying out the purposes of the Authority; without limitation of the foregoing, to lease as lessee, with the approval of the Governor, any property, real, personal or mixed, or any interest therein for a term not exceeding ninety-nine years at a nominal rental or at such annual rental as may be determined; with the approval of the Governor, to lease as lessor to the Commonwealth of Virginia and any city, county, town or other political subdivision, or any agency, department, or public body of the Commonwealth, or land grant college, any project at any time constructed by the Authority and any property, real, personal or mixed, tangible or intangible, or any interest therein, at any time acquired by the Authority, whether wholly or partially completed; with the approval of the Governor, to sell, transfer and convey to the Commonwealth of Virginia, any project at any time constructed by the Authority; and, with the approval of the Governor, to sell, transfer and convey any property, real, personal or mixed, tangible or intangible, or any interest therein, at any time acquired by the Authority.

5. To acquire by purchase, lease, or otherwise, and to construct, improve, furnish, maintain, repair, and operate projects.

6. To make bylaws for the management and regulation of its affairs.

7. To fix, alter, charge, and collect rates, rentals, and other charges for the use of the facilities of, or for the services rendered by, the Authority, or projects thereof, at reasonable rates to be determined by it for the purpose of providing for the payment of the expenses of the Authority, the construction, improvement, repair, furnishing, maintenance, and operation of its facilities and properties, the payment

60 of the principal of and interest on its obligations, and to fulfill the terms and provisions of any  
61 agreements made with the purchasers or holders of any such obligations.

62 8. To borrow money; make and issue negotiable notes, bonds, and other evidences of indebtedness or  
63 obligations (herein called "bonds") of the Authority and such bonds as the Authority may, from time to  
64 time, determine to issue for the purpose of refunding bonds previously issued by the Authority; to  
65 secure the payment of all bonds, or any part thereof, by pledge or deed of trust of all or any of its  
66 revenues, rentals, and receipts; to make such agreements with the purchasers or holders of such bonds or  
67 with others in connection with any such bonds, whether issued or to be issued, as the Authority shall  
68 deem advisable; and in general, to provide for the security for said bonds and the rights of holders  
69 thereof, provided that the total principal amount of such bonds outstanding excluding bonds issued to  
70 refinance bonds previously issued by the Authority and bonds issued to refinance (i) bonds issued by  
71 other state and local authorities or political subdivisions where such bonds are secured by a lease or  
72 other payment agreement with the Commonwealth or (ii) the Commonwealth's obligations under such  
73 leases or other payment agreements at any time shall not exceed \$1,140 million.

74 The Authority shall submit an annual report to the Governor and General Assembly on or before  
75 November 1 of each year containing, at a minimum, the annual financial statements of the Authority for  
76 the year ending the preceding June 30. The annual report shall be distributed in accordance with the  
77 provisions of § 2.1-467.

78 9. To make contracts of every name and nature, and to execute all instruments necessary or  
79 convenient for the carrying on of its business.

80 10. Without limitation of the foregoing, to borrow money and accept grants from, and to enter into  
81 contracts, leases or other transactions with, any federal agency.

82 11. To have the power of eminent domain.

83 12. To pledge or otherwise encumber all or any of the revenues or receipts of the Authority as  
84 security for all or any of the obligations of the Authority.

85 13. To do all acts and things necessary or convenient to carry out the powers granted to it by this  
86 article or any other acts.

87 14. To acquire, by assignment from the Commonwealth or the Virginia Retirement System, all  
88 contracts, including those which are not completed, which involve constructing, improving, furnishing,  
89 maintaining, and operating the structures, facilities, or undertakings similar to those designated herein as  
90 projects.

91 15. To enter into contractual agreements with localities or regional jail authorities undertaking a jail  
92 project for which the financing or refinancing of reimbursements of all or any portion of the  
93 Commonwealth's share of the costs of such project will be made pursuant to subsection A 3 of  
94 § 53.1-82.2.

95 Except as otherwise provided by law, when projects are to be constructed, improved, furnished,  
96 maintained, repaired or operated for the use of any department of the Commonwealth, as hereinbefore  
97 listed in this section, no plans or specifications therefor shall be presented for quotations or bids until  
98 such plans and specifications shall have been submitted to and approved by the Department of General  
99 Services and any other department of the Commonwealth having any jurisdiction over the projects, so  
100 that the project will conform to standards established by such departments.

101 § 38.2-401. Fire Programs Fund.

102 A. There is hereby established a Fire Programs Fund which shall be administered by the Department  
103 of Fire Programs under policies and definitions established by the Virginia Fire Services Board. The  
104 Fund, which includes grants noted herein, shall be created in the state treasury as a special nonreverting  
105 fund and shall be established on the books of the Comptroller. Any moneys deposited to or remaining in  
106 such Fund during or at the end of each fiscal year or biennium shall not revert to the general fund but  
107 shall remain in the Fund. Moneys shall be deposited or transferred to the account as collected by the  
108 State Corporation Commission and as coordinated with the Department. Interest earned on all moneys  
109 shall remain in the Fund and be credited to it. Interest earned from the Fund shall be set aside to be  
110 used for fire service purposes as defined by the Virginia Fire Services Board. The Fund shall consist of  
111 any moneys appropriated for this purpose by the General Assembly and any other moneys received for  
112 such purpose by the Board or Department. Notwithstanding any other provision of law to the contrary,  
113 policies established by the Board for the administration of the Fund, and any grants provided from the  
114 Fund, that are not inconsistent with the purposes set out in this section shall be binding upon any  
115 locality that accepts such funds or related grants. In order to maintain the Fund, the Commission shall  
116 annually assess against all licensed insurance companies doing business in this Commonwealth by  
117 writing any type of insurance as defined in §§ 38.2-110, 38.2-111, 38.2-126, 38.2-130 and 38.2-131 and  
118 those combination policies as defined in § 38.2-1921 that contain insurance as defined in §§ 38.2-110,  
119 38.2-111 and 38.2-126, an assessment in the amount of one percent of the total direct gross premium  
120 income for such insurance. Such assessment shall be apportioned, assessed and paid as prescribed by  
121 § 38.2-403. In any year in which a company has no direct gross premium income or in which its direct

gross premium income is insufficient to produce at the rate of assessment prescribed by law an amount equal to or in excess of \$100, there shall be so apportioned and assessed against such company a contribution of \$100. The Commission shall be reimbursed from the Fund for all expenses necessary for the administration of this section.

B. After reserving funds for the grants noted herein, seventy-five percent of the remaining amount collected annually pursuant to this section shall be allocated to the several counties, cities and towns of the Commonwealth providing fire service operations to be used for the improvement of volunteer and career fire services in each of the receiving localities. Funds allocated to the counties, cities and towns pursuant to this subsection shall not be used directly or indirectly to supplant or replace any other funds appropriated by the counties, cities and towns for fire service operations. Such funds shall be used solely for the purposes of training volunteer or career firefighting personnel in each of the receiving localities; funding fire prevention and public safety education programs; constructing, improving and expanding regional or local fire service training facilities; or for purchasing personal protective equipment, vehicles, equipment and supplies for use in the receiving locality specifically for fire service purposes. Notwithstanding any other provision of the Code, when localities use such funds to construct, improve or expand fire service training facilities, fire-related training provided at such training facilities shall be by instructors certified or approved according to policies developed by the Department of Fire Programs and approved by the Virginia Fire Services Board. Distribution of this seventy-five percent of the Fund shall be made on the basis of population as provided for in §§ 4.1-116 and 4.1-117; however, no county or city eligible for such funds shall receive less than \$10,000, nor eligible town less than \$4,000. In order to remain eligible for such funds, each receiving locality shall report annually to the Department on the use of the funds allocated to it for the previous year and shall provide a completed Fire Programs Fund Disbursement Agreement form. Each receiving locality shall be responsible for certifying the proper use of the funds. If, at the end of any annual reporting period, a satisfactory report and a completed agreement form have not been submitted by a receiving locality, any funds due to that locality for the next year shall be retained until said documents are submitted to the Department.

C. The remainder of this Fund shall be used for the purposes of underwriting the costs of the operation of the Department of Fire Programs which shall include providing funded training and administrative support services for non-funded training to localities. *Beginning January 1, 2000, if the amount of such remainder in any calendar year is greater than the amount of such remainder in the immediately previous calendar year, then one-half of such increase shall be deposited into the Fire Services Grant Fund Program and used for the purposes of that program as set forth in subsection D.*

D. The Fire Services Grant Fund Program is hereby established and will be used as grants to provide regional fire services training facilities, to finance the Virginia Fire Incident Reporting System and to build or repair burn buildings as determined by the Virginia Fire Services Board. Beginning January 1, 1996, one million dollars from the assessments made pursuant to this section shall be distributed each year for the Fire Services Grant Fund to be used as herein provided, and \$100,000 shall be distributed annually for continuing the statewide Dry Fire Hydrant Grant Program. All grants provided from this Fund shall be administered by the Department according to the policies and procedures established by the Virginia Fire Services Board.

E. Moneys in the Fund shall not be diverted or expended for any purpose not authorized by this section.

**2. That the Virginia Public Building Authority is authorized to issue revenue bonds as follows:**

*§ 1. That pursuant to § 2.1-234.13 of the Code of Virginia, the General Assembly hereby authorizes the Virginia Public Building Authority to issue revenue bonds not to exceed \$10 million, plus amounts needed to fund issuance costs, reserve funds, and other financing expenses; and to deposit the proceeds of the bonds into the Fire Services Grant Fund under § 38.2-401 D, to assist combinations of localities with burn building or fire training facility construction and improvements.*

*§ 2. Prior to the issuance of the bonds provided for in § 1, or any portion thereof, the Virginia Fire Services Board shall present a plan for the allocation of the proceeds for regional fire training facilities, and a repayment schedule, which plan shall be approved by the Governor, and a copy of which shall be submitted to the chairmen of the House Appropriations and Senate Finance Committees of the General Assembly.*