

023322660

HOUSE BILL NO. 99

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Finance
on February 20, 2002)

(Patron Prior to Substitute—Delegate Callahan)

A BILL authorizing the issuance of Commonwealth of Virginia General Obligation Bonds in an amount not exceeding \$900,488,645 for the purpose of financing the cost of capital projects for educational facilities; authorizing the Treasury Board, by and with the consent of the Governor, to fix the details of the bonds and to provide for the sale of the bonds; 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 such obligations; providing that the interest income on such obligations 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.

Be it enacted by the General Assembly of Virginia:

1. § 1. Title. This act shall be known and may be cited as the "Commonwealth of Virginia Educational Facilities Bond Act of 2002."

§ 2. Authorization of Bonds and BANs. The authorization to issue bonds hereunder is subject to the following conditions. First, there shall be a favorable vote of a majority of the qualified voters voting on this act at the November 5, 2002, general election as hereinafter provided;

Secondly, the Governor shall prepare and release a plan to the chairmen of the Senate Finance Committee and House Appropriations Committee on or before December 1, 2002, detailing a process whereby the Secretary of Finance, in conjunction with the Secretaries of Administration and Education, shall administer the orderly issuance of the bonds hereunder authorized in order to provide the funding required to execute the capital projects identified in this bill, including the following:

a) Development of processes to expedite the capital outlay review process as set forth in § 2.2-1132 of the Code of Virginia; and

b) Development of detailed draw schedules, to the extent practicable, for projects and for the approval of such draw schedules with due consideration given to the long-term capacity of the Commonwealth to open and operate such completed capital projects. Included in such approval shall be an estimate of the net additional costs of staffing and equipping such projects.

Thereafter, 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 General Obligation Bonds, Series...", in an aggregate principal amount not exceeding \$900,488,645. The Treasury Board is further authorized, by and with the consent of the Governor, to borrow money in anticipation of the issuance of the bonds by the issuance of bond anticipation notes ("BANs"), including BANS issued as commercial paper.

§ 3. Purpose; Projects. The proceeds of the bonds and BANs, excluding amounts needed to pay issuance costs and other financing expenses, shall be used as provided in § 4 hereof for capital projects for educational facilities as follows:

Educational Facility	Project Description	Amount
Christopher Newport University	Renovate/Expand Technology Center/Library	\$11,333,000
Christopher Newport University	Convert Student Center to Academic Space	5,357,000
Christopher Newport University	Renovate/Expand Gosnold Hall	5,798,000
Christopher Newport University	Renovate Ferguson Hall-Plant, Classrooms and Art	3,300,000

59			
60	The College of William and Mary	Renovate/Expand Marshall-	
61			
62		Wythe Law Library	11,821,000
63			
64	The College of William and Mary	Renovate Andrews Hall	5,415,000
65			
66	The College of William and Mary	Renovate Small Hall	13,583,000
67			
68	The College of William and Mary	Renovate Lake Matoaka	2,500,000
69			
70	George Mason University	Construct Academic II -	
71			
72		Arlington	30,954,000
73			
74	George Mason University	Renovate Thompson, West	
75			
76		and Pohick	12,693,000
77			
78	George Mason University	Construct Academic V-Fairfax	21,898,000
79			
80	George Mason University	Construct Fairfax Research I	8,190,500
81			
82	George Mason University	Improve Handicapped	
83			
84		Accessibility	1,900,000
85			
86	George Mason University	Upgrade Utility Infrastructure	2,926,000
87			
88	George Mason University	Renovate Conflict Analysis	1,000,000
89			
90		Facility	
91			
92	James Madison University	Renovate Steam Infrastructure	3,978,000
93			
94	James Madison University	Improve Handicapped	
95			
96		Accessibility	1,780,000
97			
98	James Madison University	Renovate Harrison Hall &	
99			
100		Annex	9,732,700
101			
102	James Madison University	Construct Center for the Arts	29,808,900
103			
104	James Madison University	Construct Music Recital Hall	20,900,000
105			
106	James Madison University	Construct Library, CISAT	
107			
108		Campus	19,792,600
109			
110	James Madison University	Renovate Miller Hall	13,927,700
111			
112	Longwood College	Construct Bedford Wygal	
113			
114		Connector	7,256,000
115			

116	Longwood College	Renovate Jarman Auditorium	4,731,000
117			
118	Mary Washington College	Renovate/Alter Portions of	
119			
120		Four Academic Buildings	2,242,000
121			
122	Mary Washington College	Renovate/Expand Lee Hall	10,432,000
123			
124	Mary Washington College	Renovate Dodd Auditorium	
125			
126		and Klein Theater	1,725,000
127			
128	Mary Washington College	Renovate Monroe Hall	4,035,000
129			
130	Norfolk State University	Upgrade HVAC Systems	2,847,366
131			
132	Norfolk State University	Construct RISE Center	18,000,000
133			
134	Norfolk State University	Handicapped Accessibility	
135			
136		Improvements	500,000
137			
138	Old Dominion University	Renovate Technology Building	9,158,050
139			
140	Old Dominion University	Renovate Batten Arts &	
141			
142		Letters	9,631,552
143			
144	Old Dominion University	Construct Physical Science	
145			
146		Building, Phase II	13,000,000
147			
148	Old Dominion University	Construct Tri-Cities Higher	
149			
150		Education Center	6,149,200
151			
152	Old Dominion University	Renovate Hughes Hall	5,600,000
153			
154	Old Dominion University	Renovate Chemistry Building	731,000
155			
156	Radford University	Construct Fine Arts Center	19,350,000
157			
158	Radford University	Renovate Young Hall	4,716,000
159			
160	Radford University	Renovate Davis Hall	1,851,000
161			
162	Radford University	Upgrade/Construct Stormwater	
163			
164		Management/Access Road	500,000
165			
166	Radford University	Renovate Russell Hall	1,000,000
167			
168	University of Virginia	Construct Medical Research	
169			
170		Bldg (MR-6)	24,235,000
171			

172	University of Virginia	Construct Materials Sci.	
173			
174		Eng. & Nano-Technology	
175			
176		Building	7,000,000
177			
178	University of Virginia	Upgrade Cavalier Substation	4,700,000
179			
180	University of Virginia	Construct Engineering/Science	
181			
182		Chiller Plant	4,800,000
183			
184	University of Virginia	Renovate Fayerweather Hall	4,600,000
185			
186	University of Virginia	Renovate Gilmer Hall	
187			
188		Teaching Laboratories	5,700,000
189			
190	University of Virginia	Upgrade Storm Water	
191			
192		Management, McCormick & North	1,400,000
193			
194	University of Virginia	Construct Arts and	
195			
196		Sciences Building	14,284,000
197			
198	University of Virginia	Construct Campbell Hall	
199			
200		Chiller Replacement	1,600,000
201			
202	University of Virginia - Wise	Upgrade/Construct Stormwater	
203			
204		Management/Access Road	2,000,000
205			
206	University of Virginia - Wise	Renovate/Expand Drama	
207			
208		Building	7,475,000
209			
210	Virginia Commonwealth University	Renovate West Hospital/	
211			
212		G.B. Johnston	14,308,000—
213	_____		
214			
215	Virginia Commonwealth University	Construct Massey	
216			
217		Cancer Center Addition	10,099,000
218			
219	Virginia Commonwealth University	Construct Medical Sciences	
220			
221		Building Phase II	22,550,000
222			
223	Virginia Commonwealth University	Renovate Sanger Research	
224			
225		Laboratory, Phase I	7,899,000
226			
227	Virginia Commonwealth University	Renovate Hibbs Bldg	8,766,000
228			

229	Virginia Commonwealth University	Renovate Music Center	3,407,000
230			
231	Virginia Commonwealth University	Construct School of	
232			
233		Engineering Phase II	6,200,000
234			
235	Virginia Commonwealth University	Renovate Franklin Terrace	3,524,000
236			
237	Virginia Military Institute	Renovate Nichols Engineering	
238			
239		Building	13,514,000
240			
241	Virginia Military Institute	Renovate Mallory Hall	9,106,000
242			
243	Virginia Tech	Renovate Williams, Agnew,	
244			
245		Burrus	5,451,856
246			
247	Virginia Tech	Construct Main Campus Chilled	
248			
249		Water Central Plant	2,800,000
250			
251	Virginia Tech	Improve/Expand Fine Arts	
252			
253		Center and Renovate	
254			
255		Henderson Hall	6,542,000
256			
257	Virginia Tech	Construct New Engineering	
258			
259		Facility (VTRI Phase I)	13,996,000
260			
261	Virginia Tech	Construct Biology Building	14,263,000
262			
263	Virginia Tech	Construct New Vivarium	
264			
265		Facility	12,000,000
266			
267	Virginia Tech	Classroom Improvements,	
268			
269		Phase I	4,530,000
270			
271	Virginia Tech	Construct Building	
272			
273		Construction Facility	2,500,000
274			
275	Virginia Tech	Renovate Litton Reaves Hall	
276			
277		and Exterior Structural	
278			
279		Repairs	2,500,000
280			
281	Virginia Tech	Renovate Cowgill Hall HVAC	
282			
283		and Power	7,500,000
284			

285	Virginia State University	Construct New Academic	
286			
287		Science & Technology Building	17,711,000
288			
289	Virginia State University	Renovate Gandy Hall	4,561,000
290			
291	Richard Bland College	Renovate Library	2,650,000
292			
293	Richard Bland College	Renovate & Expand Art Bldg	800,000
294			
295	Virginia Community College System	Major Mechanical Systems,	
296			
297		Systemwide	7,684,000
298			
299	Virginia Community College System	Renovate Science Building,	
300			
301		Northern Va. (Annandale)	8,500,000
302			
303	Virginia Community College System	South Campus Renovation,	
304			
305		Virginia Western	2,192,500
306			
307	Virginia Community College System	Renovate Instructional Labs,	
308			
309		John Tyler	5,250,000
310			
311	Virginia Community College System	Alexandria Phase III,	
312			
313		Renovate Phases I & II,	
314			
315		Northern Va.	15,947,320
316			
317	Virginia Community College System	Construct Historic Triangle	
318			
319		Campus, Thomas Nelson	17,653,861
320			
321	Virginia Community College System	Construct Sciences Building	
322			
323		I, Tidewater (Virginia Beach)	11,330,000
324			
325	Virginia Community College System	Renovate Campus Post ISS	
326			
327		Bldg Construction,	
328			
329		Thomas Nelson	3,548,000
330			
331	Virginia Community College System	Renovate LRC/West Hall,	
332			
333		Patrick Henry	3,439,300
334			
335	Virginia Community College System	Replace Exterior Doors	
336			
337		and Windows, Thomas Nelson	974,000
338			
339	Virginia Community College System	Renovate CN & CT Buildings,	
340			
341		Northern Virginia (Annandale)	4,127,000

342			
343	Virginia Community College System	Construct Learning Resources	
344			
345		Building, Southwest Virginia	5,840,000
346			
347	Virginia Community College System	Construct Fine and	
348			
349		Performing Arts Program	
350			
351		Building, Blue Ridge	5,092,000
352			
353	Virginia Community College System	Construct Addition To HVAC	
354			
355		Building, Northern Va.	
356			
357		(Woodbridge)	1,175,000
358			
359	Virginia Community College System	Portsmouth Campus Relocation,	
360			
361		Tidewater	25,000,000
362			
363	Virginia Community College System	Renovate/Expand Webber Hall,	
364			
365		Virginia Western	3,500,000
366			
367	Virginia Community College System	Renovate Classrooms & Labs,	
368			
369		Southside (Christanna)	1,100,000
370			
371	Virginia Community College System	Renovate Classrooms & Labs,	
372			
373		Southside (Daniel)	1,100,000
374			
375	Virginia Community College System	Upgrade ADA Accessibility,	
376			
377		Systemwide	5,000,000
378			
379	Virginia Community College System	Renovate Paul D. Camp	
380			
381		(Franklin)	500,000
382			
383	Virginia Community College System	Renovate Unsafe & Obsolete	
384			
385		Facilities, D. S. Lancaster	2,025,000
386			
387	Virginia Community College System	Replace Greenhouses,	
388			
389		Northern Va. (Loudoun)	450,000
390			
391	Virginia Community College System	Upgrade Main Academic Building	
392			
393		Fire Suppression System,	
394			
395		Piedmont	235,000
396			
397	Virginia Community College System	Expand Computing Services,	

398			
399		New River	300,000
400			
401	Virginia Community College System	Construct William F. Snyder	
402			
403		Auditorium, Wytheville	543,080
404			
405	Virginia Community College System	Construct Science & Technology	
406			
407		Building, Piedmont	5,000,500
408			
409	Virginia Community College System	Construct Workforce Training	
410			
411		& Technology Center,	
412			
413		J.S. Reynolds	3,138,200
414			
415	Virginia Community College System	Construct Business Dev.	
416			
417		& Workforce Training Ctr.,	
418			
419		Eastern Shore	2,347,000
420			
421	Virginia Community College System	Construct Advanced Tech. and	
422			
423		Workforce Dev. Ctr., Germanna	
424			
425		(Culpeper)	5,555,000
426			
427	Virginia Community College System	Construct Workforce Services	
428			
429		Dev. Ctr., Lord Fairfax	
430			
431		(Middletown)	2,340,000
432			
433	Virginia Community College System	Construct Regional Automotive	
434			
435		Tech./Workforce Dev. Ctr,	
436			
437		Tidewater	3,262,000
438			
439	Virginia Community College System	Construct Maintenance	
440			
441		Building, Danville	839,000
442			
443	Virginia Community College System	Construct Maintenance-Service	
444			
445		Building, Southside (Daniel)	464,480
446			
447	Virginia Community College System	Construct Maintenance	
448			
449		Building, Blue Ridge	491,000
450			
451	Virginia Community College System	Construct Maintenance and	
452			
453		Storage Building, Germanna	
454			

455		(Locust Grove)	517,000
456			
457	Virginia Community College System	Construct Maintenance-Service	
458			
459		Building, Southside	
460			
461		(Christanna)	464,480
462			
463	Virginia Community College System	Construct Maintenance Services	
464			
465		Building, New River	517,000
466			
467	Virginia Community College System	Construct Maintenance Services	
468			
469		Building, Mountain Empire	564,000
470			
471	Virginia Community College System	Construct Maintenance Services	
472			
473		Building, Rappahannock (Glenns)	463,000
474			
475	Virginia Community College System	Construct Maintenance Services	
476			
477		Building, Southwest Virginia	545,000
478			
479	Virginia Community College System	Construct Facilities	
480			
481		Maintenance Building,	
482			
483		Central Virginia	485,500
484			
485	Virginia Institute		
486			
487	of Marine Science	Construct Marine Research	
488			
489		Bldg Complex	23,692,000
490			
491	Virginia Institute		
492			
493	of Marine Science	Construct Research Storage	
494			
495		Facility	641,000
496			
497	VPI Coop. Ext./		
498			
499	Agriculture Exp. Station	Construct Agriculture and	
500			
501		Natural Resources Research	
502			
503		Laboratory Facility	23,168,000
504			
505	Southwest Virginia		
506			
507	Higher Ed. Center	Construct Addition to	
508			
509		Southwest Va. Higher Ed.	
510			

511		Center	1,900,000
512			
513	Jamestown-Yorktown Foundation	Renovate/Expand Jamestown	
514			
515		Powhatan Village	1,009,000
516			
517	Jamestown-Yorktown Foundation	Construct Central Support	
518			
519		Complex	6,935,000
520			
521	Jamestown-Yorktown Foundation	Construct Jamestown Riverfront	
522			
523		Support Area	1,847,000
524			
525	Jamestown-Yorktown Foundation	Construct Jamestown Entrance	
526			
527		Plaza, Parking Lots and	
528			
529		Roadways	4,391,000
530			
531	Jamestown-Yorktown Foundation	Construct Jamestown	
532			
533		Maintenance Building	762,000
534			
535	Science Museum of Virginia	Construct Belmont Bay	
536			
537		Science Center	5,000,000
538			
539	Science Museum of Virginia	Renovate Planetarium/IMAX	
540			
541		Theater Sprinklers	2,000,000
542			
543	Science Museum of Virginia	Renovate/Expand Danville	
544			
545		Science Center	3,679,000
546			
547	Virginia Museum of Fine Arts	Renovate/Expand Museum	28,000,000
548			
549	Frontier Culture Museum	Construct Maintenance	
550			
551		Facility	950,000
552			
553	Grand Total		\$900,488,645

554
555 *The General Assembly hereby finds and determines that the estimated useful life of the capital*
556 *projects listed above is in excess of twenty-five years.*

557 *To the extent that the cost of any capital project listed above is less than the amount allocated to*
558 *such project, the Governor or the Governor's designee may increase the amount allocated to any other*
559 *capital project listed above. No such allocation to a capital project may be increased, however, until it*
560 *has been demonstrated to the satisfaction of the Governor or the Governor's designee that (a) the cost*
561 *of the capital project has been reduced to the extent reasonable, (b) the capital project has not been*
562 *expanded or enhanced beyond that originally approved, and (c) the capital project is suitable and*
563 *adequate for the scope originally intended. No increase in the amount allocated to any capital project*
564 *shall constitute an authorization for the issuance of bonds in an amount in excess of the aggregate*
565 *amount authorized hereunder.*

566 § 4. *Application of Proceeds. Proceeds (including any premium) of the bonds and any BANs (except*
567 *the proceeds of (i) bonds the issuance of which has been anticipated by BANs, (ii) refunding bonds and*
568 *(iii) refunding BANs) shall be deposited 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 or any BANs have been issued. In the event that the proceeds of the bonds or BANs exceed the cost of the projects specified in § 3, the Treasury Board shall cause such excess proceeds to be applied to the retirement of the bonds or BANs. The proceeds of (i) bonds the issuance of which has been anticipated by BANs, (ii) refunding bonds and (iii) refunding BANs and any funds provided by the General Assembly, or available from any other source, for the purpose, shall be used to pay such BANs, refunded bonds and refunded BANs.

The proceeds of the bonds and any refunding bonds or BANs 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 § 2.2-1819 of the Code of Virginia. The general conditions and general provisions of the general appropriation act enacted pursuant to Chapter 15 (§ 2.2-1500 et seq.) of Title 2.2 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 § 3. The Governor or his designee is hereby authorized to increase the appropriation for any project listed in § 3 by the amount of the proceeds of donations, gifts, grants or other nongeneral funds paid into the state treasury in excess of such appropriation.

§ 5. Details, sale of bonds and BANs. 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 or within such price parameters, all as may be determined by the Treasury Board, by and with the consent of the Governor. The principal of the bonds shall be amortized by payment into a sinking fund or otherwise, in annual installments. The first annual installment of principal of the bonds shall become due not later than one-tenth of the term of the bonds, and no installment of principal of the bonds shall be more than twice the smallest previous installment. Any such sinking fund shall not be appropriated for any other purpose.

The bonds 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 the Treasury Board or the State Treasurer, when authorized by the Treasury Board, may determine. The principal of and premium, if any, and interest on the bonds and BANs shall be payable in lawful money of the United States of America. Bonds and BANs may be certificated or uncertificated as determined by the Treasury Board. The Treasury Board may contract for services of such registrars, transfer agents, or other authenticating agents as it deems appropriate to maintain a record of the persons entitled to the bonds and BANs. Bonds and BANs may be issued under a system of book entry for recording the ownership and transfer of ownership rights to receive payments on the bonds and BANs. The Treasury Board shall fix the denomination or denominations of the bonds and the place or places of payment of 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.

The Treasury Board may sell the bonds and any BANs in such manner, either by competitive bidding, negotiated sale or private placement, and for such price as it may determine, by and with consent of the Governor, to be in the interest of the Commonwealth.

At the discretion of the Treasury Board, bonds and BANs may be issued at one time or in part from time to time and may be issued and sold at the same time with other general obligation bonds and bond anticipation notes, respectively, of the Commonwealth authorized pursuant to Article X, Section 9(a)(3), (b) or (c) of the Constitution of Virginia, either as separate issues, as a combined issue designated "Commonwealth of Virginia General Obligation Bonds [Bond Anticipation Notes], Series 20....," or as a combination of both. The bonds and BANs shall be signed on behalf of the Commonwealth by the Governor and by the State Treasurer, or shall bear their facsimile signatures, and shall bear the lesser seal of the Commonwealth or a facsimile thereof. In the event that the bonds or BANs bear the facsimile signature of the State Treasurer, they shall be signed by such administrative assistant as the State Treasurer shall determine or by such registrar or paying agent as may be designated to sign them by the Treasury Board. If any officer whose signature or facsimile signature shall appear on any bonds or BANs shall cease to be such officer before the delivery, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery, and any bond or BAN may bear the facsimile signature of, or may be signed by, such persons as at the actual time of the execution are the proper officers to sign such bond or BAN although, at the date of such bond or BAN, such persons may not have been such officers.

§ 6. Refunding. 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, refunding bonds and BANs of the Commonwealth, to refund any or all of the bonds and BANs, respectively, issued under this act or otherwise pursuant to Article X, Section 9(b), of the Constitution of Virginia. Refunding bonds and BANs may be issued in a principal amount up to the amount necessary to pay at maturity or redeem the bonds and BANs to be refunded and pay all issuance costs and other financing expenses of the refunding. Such refunding bonds and BANs may be issued whether or not the bonds or BANs to be refunded are then subject to

630 redemption. Any escrow or trust fund established with the proceeds from the sale of refunding bonds
631 shall be irrevocably pledged to the payment of the bonds to be refunded, and shall be used solely to pay
632 such bonds or BANs at maturity or upon redemption or for the purchase of not less than all of the
633 bonds or BANs to be refunded. Any such escrow or trust fund shall constitute a special fund for the
634 payment of such refunded bonds or BANs, and such refunded bonds or BANs, to the extent of amounts,
635 including the maturity amounts of investments, set aside for the payment thereof in such escrow or trust
636 fund, shall not be included for the purposes of determining any limitations upon the amount of bonded
637 indebtedness of the Commonwealth that may be incurred pursuant to Article X, Section 9(b), of the
638 Constitution of Virginia. The Treasury Board may, however, direct that the interest received from the
639 investment of the proceeds of the bonds or any BANs be transferred to the general fund of the State
640 Treasury.

641 § 7. Authorized Investments. Pending the application of the proceeds of the bonds or BANs (including
642 refunding bonds and BANs) to the purpose for which they have been authorized and the application of
643 funds set aside for the purpose to the payment of bonds or BANs, they may be invested by the State
644 Treasurer in securities that are legal investments under the laws of the Commonwealth for public funds
645 and sinking funds, as the case may be. Whenever the State Treasurer receives interest from the
646 investment of the proceeds of bonds or any BANs, such interest shall become a part of the principal of
647 the bonds or any BANs and shall be used in the same manner as required for principal of the bonds or
648 BANs.

649 § 8. Security for bonds and BANs. The full faith and credit of the Commonwealth is hereby
650 irrevocably pledged for the payment of the principal of and the interest on bonds, refunding bonds, and
651 (unless the Treasury Board, by and with the consent of the Governor, shall provide otherwise) BANs
652 issued under this act. The proceeds of (i) bonds the issuance of which has been anticipated by BANs,
653 (ii) refunding bonds and (iii) refunding BANs are hereby irrevocably pledged for the payment of
654 principal of and interest and any premium on such bonds or BANs to be refunded thereby. In addition,
655 the Treasury Board may pledge the full faith and credit of the Commonwealth for the payment of the
656 principal of and interest on any BANs. If sufficient funds are not appropriated in the general
657 appropriations act for any fiscal year for the timely payment of the principal of and the interest on the
658 bonds, any refunding bonds or any BANs where the full faith and credit of the Commonwealth has been
659 pledged, there shall be set apart by direction of the Governor, from the first general fund revenues
660 received during such fiscal year and thereafter, a sum sufficient to pay such principal and interest.

661 § 9. Expenses. All expenses incurred under this act shall be paid from the proceeds of the bonds, or
662 any refunding bonds or BANs, or from any other available funds as the Treasury Board shall determine.

663 § 10. Exemption of interest from tax. The bonds and BANs issued under the provisions of this Act,
664 their transfer, and the income therefrom, including any profit made on the sale thereof, shall at all times
665 be exempt from taxation by the Commonwealth and by any political subdivision thereof. The interest on
666 the bonds and any refunding bonds or BANs may be subject to inclusion in gross income of the holders
667 thereof for federal income tax purposes.

668 § 11. Referendum. The question of the effectiveness of this act and the authorization of the bonds
669 shall be submitted to the qualified voters of the Commonwealth at the general election to be held on
670 Tuesday, November 5, 2002. The referendum shall be supervised and held, notice thereof given, ballots
671 prepared, returns made and certified, votes canvassed and results ascertained and made known, as
672 provided by law. The ballots to be used at the election shall pose the question in substantially the
673 following form:

674 QUESTION: Shall Chapter ___, Acts of the General Assembly of 2002, authorizing the issuance of
675 general obligation bonds of the Commonwealth of Virginia in the maximum amount of \$900,488,645
676 pursuant to Article X, Section 9(b) of the Constitution of Virginia for capital projects for educational
677 facilities, take effect?

678 The State Board of Elections shall without delay make out and transmit to the Governor and to the
679 Treasury Board an official copy of the report of the whole number of votes cast at the election for and
680 against the act, certified by it.

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

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

686 § 12. An educational institution may apply any available nongeneral funds to initiate a project
687 authorized in § 3 hereof, and the appropriations provided for in this act may be used to reimburse such
688 institution for nongeneral funds so applied. Such reimbursement shall be contingent upon the availability
689 of appropriations provided for in this act. Reimbursement shall be made only for projects authorized in
690 § 3 hereof which were supplemented with nongeneral funds on and after January 1, 2002, provided that
691 any such expenditures have received the prior written approval of the Director of the Department of

692 *Planning and Budget.*

693 *§ 13. Severability. The provisions of this act or the application thereof to any person or circumstance*
694 *that are held invalid shall not affect the validity of other provisions or applications of this act that can*
695 *be given effect without the invalid provisions or applications.*

696 **2. That the Secretary of Finance, in conjunction with the Secretaries of Education and**
697 **Administration, shall provide to the chairmen of the Senate Finance Committee and House**
698 **Appropriations Committee, beginning in 2003, by April 1 and September 1 of each year, until**
699 **such capital projects as are herein authorized are completed, a status report on the projects,**
700 **including (i) the status of compliance with the expedited capital outlay review process as set forth**
701 **in the first enactment of this act and § 2.2-1132 of the Code of Virginia; and (ii) the most recent**
702 **approved draw schedules for the projects included in this act.**