

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 An Act authorizing the issuance of Commonwealth of Virginia General Obligation Bonds in an amount
 3 not exceeding \$900,488,645 for the purpose of financing the cost of capital projects for educational
 4 facilities; authorizing the Treasury Board, by and with the consent of the Governor, to fix the details
 5 of the bonds and to provide for the sale of the bonds; authorizing the Treasury Board, by and with
 6 the consent of the Governor, to borrow money in anticipation of the issuance of the bonds;
 7 authorizing the issuance of refunding bonds, by and with the consent of the Governor; providing for
 8 the pledge of the full faith and credit of the Commonwealth for the payment of such obligations;
 9 providing that the interest income on such obligations shall be exempt from all taxation by the
 10 Commonwealth and any political subdivision thereof; and providing that this act shall not become
 11 effective and that no bonds shall be issued hereunder unless this act is approved by a majority of the
 12 qualified voters of the Commonwealth voting thereon at an election, as required by Article X, Section
 13 9 (b) of the Constitution of Virginia.

14 [S 31]

15 Approved

16 **Be it enacted by the General Assembly of Virginia:**

17 1. § 1. Title. This act shall be known and may be cited as the "Commonwealth of Virginia Educational
 18 Facilities Bond Act of 2002."

19 § 2. Authorization of bonds and bond anticipation notes (BANs). The authorization to issue bonds
 20 hereunder is subject to the following conditions:

21 First, there shall be a favorable vote of a majority of the qualified voters voting on this act at the
 22 November 5, 2002, general election as hereinafter provided;

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

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

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

34 Thereafter, the Treasury Board is hereby authorized, by and with the consent of the Governor, to sell
 35 and issue, at one time or from time to time, bonds of the Commonwealth, to be designated
 36 "Commonwealth of Virginia General Obligation Bonds, Series...," in an aggregate principal amount not
 37 exceeding \$900,488,645. The Treasury Board is further authorized, by and with the consent of the
 38 Governor, to borrow money in anticipation of the issuance of the bonds by the issuance of bond
 39 anticipation notes (BANs), including BANs issued as commercial paper.

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

43 Educational Facility	Project Description	Amount
44 Christopher Newport University	Renovate/Expand Technology	
45	Center/Library	\$11,333,000
46		
47 Christopher Newport University	Convert Student Center	
48	to Academic Space	5,357,000
49		
50 Christopher Newport University	Renovate/Expand Gosnold Hall	5,798,000
51		
52 Christopher Newport University	Renovate Ferguson Hall-Plant,	

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56			
57		Classrooms and Art	3,300,000
58			
59	The College of William and Mary	Renovate/Expand Marshall-	
60			
61		Wythe Law Library	11,821,000
62			
63	The College of William and Mary	Renovate Andrews Hall	5,415,000
64			
65	The College of William and Mary	Renovate Small Hall	13,583,000
66			
67	The College of William and Mary	Renovate Lake Matoaka	2,500,000
68			
69	George Mason University	Construct Academic II -	
70			
71		Arlington	30,954,000
72			
73	George Mason University	Renovate Thompson, West	
74			
75		and Pohick	12,693,000
76			
77	George Mason University	Construct Academic V-Fairfax	21,898,000
78			
79	George Mason University	Construct Fairfax Research I	8,190,500
80			
81	George Mason University	Improve Handicapped	
82			
83		Accessibility	1,900,000
84			
85	George Mason University	Upgrade Utility Infrastructure	2,926,000
86			
87	George Mason University	Renovate Conflict Analysis	1,000,000
88			
89		Facility	
90			
91	James Madison University	Renovate Steam Infrastructure	3,978,000
92			
93	James Madison University	Improve Handicapped	
94			
95		Accessibility	1,780,000
96			
97	James Madison University	Renovate Harrison Hall &	
98			
99		Annex	9,732,700
100			
101	James Madison University	Construct Center for the Arts	29,808,900
102			
103	James Madison University	Construct Music Recital Hall	20,900,000
104			
105	James Madison University	Construct Library, CISAT	
106			
107		Campus	19,792,600
108			
109	James Madison University	Renovate Miller Hall	13,927,700
110			
111	Longwood College	Construct Bedford Wygal	

112			
113		Connector	7,256,000
114			
115	Longwood College	Renovate Jarman Auditorium	4,731,000
116			
117	Mary Washington College	Renovate/Alter Portions of	
118			
119		Four Academic Buildings	2,242,000
120			
121	Mary Washington College	Renovate/Expand Lee Hall	10,432,000
122			
123	Mary Washington College	Renovate Dodd Auditorium	
124			
125		and Klein Theater	1,725,000
126			
127	Mary Washington College	Renovate Monroe Hall	4,035,000
128			
129	Norfolk State University	Upgrade HVAC Systems	2,847,366
130			
131	Norfolk State University	Construct RISE Center	18,000,000
132			
133	Norfolk State University	Handicapped Accessibility	
134			
135		Improvements	500,000
136			
137	Old Dominion University	Renovate Technology Building	9,158,050
138			
139	Old Dominion University	Renovate Batten Arts &	
140			
141		Letters	9,631,552
142			
143	Old Dominion University	Construct Physical Science	
144			
145		Building, Phase II	13,000,000
146			
147	Old Dominion University	Construct Tri-Cities Higher	
148			
149		Education Center	6,149,200
150			
151	Old Dominion University	Renovate Hughes Hall	5,600,000
152			
153	Old Dominion University	Renovate Chemistry Building	731,000
154			
155	Radford University	Construct Fine Arts Center	19,350,000
156			
157	Radford University	Renovate Young Hall	4,716,000
158			
159	Radford University	Renovate Davis Hall	1,851,000
160			
161	Radford University	Upgrade/Construct Stormwater	
162			
163		Management/Access Road	500,000
164			
165	Radford University	Renovate Russell Hall	1,000,000
166			
167	University of Virginia	Construct Medical Research	

168			
169		Bldg. (MR-6)	24,235,000
170			
171	University of Virginia	Construct Materials Sci.	
172			
173		Eng. & Nano-Technology	
174			
175		Building	7,000,000
176			
177	University of Virginia	Upgrade Cavalier Substation	4,700,000
178			
179	University of Virginia	Construct Engineering/Science	
180			
181		Chiller Plant	4,800,000
182			
183	University of Virginia	Renovate Fayerweather Hall	4,600,000
184			
185	University of Virginia	Renovate Gilmer Hall	
186			
187		Teaching Laboratories	5,700,000
188			
189	University of Virginia	Upgrade Storm Water	
190			
191		Management, McCormick & North	1,400,000
192			
193	University of Virginia	Construct Arts and	
194			
195		Sciences Building	14,284,000
196			
197	University of Virginia	Construct Campbell Hall	
198			
199		Chiller Replacement	1,600,000
200			
201	University of Virginia - Wise	Upgrade/Construct Stormwater	
202			
203		Management/Access Road	2,000,000
204			
205	University of Virginia - Wise	Renovate/Expand Drama	
206			
207		Building	7,475,000
208			
209	Virginia Commonwealth University	Renovate West Hospital/	
210			
211		G.B. Johnston	14,308,000
212			
213	Virginia Commonwealth University	Construct Massey	
214			
215		Cancer Center Addition	10,099,000
216			
217	Virginia Commonwealth University	Construct Medical Sciences	
218			
219		Building Phase II	22,550,000
220			
221	Virginia Commonwealth University	Renovate Sanger Research	
222			
223		Laboratory, Phase I	7,899,000

224			
225	Virginia Commonwealth University	Renovate Hibbs Bldg.	8,766,000
226			
227	Virginia Commonwealth University	Renovate Music Center	3,407,000
228			
229	Virginia Commonwealth University	Construct School of	
230			
231		Engineering Phase II	6,200,000
232			
233	Virginia Commonwealth University	Renovate Franklin Terrace	3,524,000
234			
235	Virginia Military Institute	Renovate Nichols Engineering	
236			
237		Building	13,514,000
238			
239	Virginia Military Institute	Renovate Mallory Hall	9,106,000
240			
241	Virginia Tech	Renovate Williams, Agnew,	
242			
243		Burrus	5,451,856
244			
245	Virginia Tech	Construct Main Campus Chilled	
246			
247		Water Central Plant	2,800,000
248			
249	Virginia Tech	Improve/Expand Fine Arts	
250			
251		Center and Renovate	
252			
253		Henderson Hall	6,542,000
254			
255	Virginia Tech	Construct New Engineering	
256			
257		Facility (VTRI Phase I)	13,996,000
258			
259	Virginia Tech	Construct Biology Building	14,263,000
260			
261	Virginia Tech	Construct New Vivarium	
262			
263		Facility	12,000,000
264			
265	Virginia Tech	Classroom Improvements,	
266			
267		Phase I	4,530,000
268			
269	Virginia Tech	Construct Building	
270			
271		Construction Facility	2,500,000
272			
273	Virginia Tech	Renovate Litton Reaves Hall	
274			
275		and Exterior Structural	
276			
277		Repairs	2,500,000
278			
279	Virginia Tech	Renovate Cowgill Hall HVAC	

280			
281		and Power	7,500,000
282			
283	Virginia State University	Construct New Academic	
284			
285		Science & Technology Building	17,711,000
286			
287	Virginia State University	Renovate Gandy Hall	4,561,000
288			
289	Richard Bland College	Renovate Library	2,650,000
290			
291	Richard Bland College	Renovate & Expand Art Bldg.	800,000
292			
293	Virginia Community College System	Major Mechanical Systems,	
294			
295		Systemwide	7,684,000
296			
297	Virginia Community College System	Renovate Science Building,	
298			
299		Northern Va. (Annandale)	8,500,000
300			
301	Virginia Community College System	South Campus Renovation,	
302			
303		Virginia Western	2,192,500
304			
305	Virginia Community College System	Renovate Instructional Labs,	
306			
307		John Tyler	5,250,000
308			
309	Virginia Community College System	Alexandria Phase III,	
310			
311		Renovate Phases I & II,	
312			
313		Northern Va.	15,947,320
314			
315	Virginia Community College System	Construct Historic Triangle	
316			
317		Campus, Thomas Nelson	17,653,861
318			
319	Virginia Community College System	Construct Sciences Building	
320			
321		I, Tidewater (Virginia Beach)	11,330,000
322			
323	Virginia Community College System	Renovate Campus Post ISS	
324			
325		Bldg. Construction,	
326			
327		Thomas Nelson	3,548,000
328			
329	Virginia Community College System	Renovate LRC/West Hall,	
330			
331		Patrick Henry	3,439,300
332			
333	Virginia Community College System	Replace Exterior Doors	
334			
335		and Windows, Thomas Nelson	974,000

336			
337	Virginia Community College System	Renovate CN & CT Buildings,	
338			
339		Northern Virginia (Annandale)	4,127,000
340			
341	Virginia Community College System	Construct Learning Resources	
342			
343		Building, Southwest Virginia	5,840,000
344			
345	Virginia Community College System	Construct Fine and	
346			
347		Performing Arts Program	
348			
349		Building, Blue Ridge	5,092,000
350			
351	Virginia Community College System	Construct Addition To HVAC	
352			
353		Building, Northern Va.	
354			
355		(Woodbridge)	1,175,000
356			
357	Virginia Community College System	Portsmouth Campus Relocation,	
358			
359		Tidewater	25,000,000
360			
361	Virginia Community College System	Renovate/Expand Webber Hall,	
362			
363		Virginia Western	3,500,000
364			
365	Virginia Community College System	Renovate Classrooms & Labs,	
366			
367		Southside (Christanna)	1,100,000
368			
369	Virginia Community College System	Renovate Classrooms & Labs,	
370			
371		Southside (Daniel)	1,100,000
372			
373	Virginia Community College System	Upgrade ADA Accessibility,	
374			
375		Systemwide	5,000,000
376			
377	Virginia Community College System	Renovate Paul D. Camp	
378			
379		(Franklin)	500,000
380			
381	Virginia Community College System	Renovate Unsafe & Obsolete	
382			
383		Facilities, D. S. Lancaster	2,025,000
384			
385	Virginia Community College System	Replace Greenhouses,	
386			
387		Northern Va. (Loudoun)	450,000
388			
389	Virginia Community College System	Upgrade Main Academic Building	
390			
391		Fire Suppression System,	

392			
393		Piedmont	235,000
394			
395	Virginia Community College System	Expand Computing Services,	
396			
397		New River	300,000
398			
399	Virginia Community College System	Construct William F. Snyder	
400			
401		Auditorium, Wytheville	543,080
402			
403	Virginia Community College System	Construct Science & Technology	
404			
405		Building, Piedmont	5,000,500
406			
407	Virginia Community College System	Construct Workforce Training	
408			
409		& Technology Center,	
410			
411		J.S. Reynolds	3,138,200
412			
413	Virginia Community College System	Construct Business Dev.	
414			
415		& Workforce Training Ctr.,	
416			
417		Eastern Shore	2,347,000
418			
419	Virginia Community College System	Construct Advanced Tech. and	
420			
421		Workforce Dev. Ctr., Germanna	
422			
423		(Culpeper)	5,555,000
424			
425	Virginia Community College System	Construct Workforce Services	
426			
427		Dev. Ctr., Lord Fairfax	
428			
429		(Middletown)	2,340,000
430			
431	Virginia Community College System	Construct Regional Automotive	
432			
433		Tech./Workforce Dev. Ctr.,	
434			
435		Tidewater	3,262,000
436			
437	Virginia Community College System	Construct Maintenance	
438			
439		Building, Danville	839,000
440			
441	Virginia Community College System	Construct Maintenance-Service	
442			
443		Building, Southside (Daniel)	464,480
444			
445	Virginia Community College System	Construct Maintenance	
446			
447		Building, Blue Ridge	491,000

448			
449	Virginia Community College System	Construct Maintenance and	
450			
451		Storage Building, Germanna	
452			
453		(Locust Grove)	517,000
454			
455	Virginia Community College System	Construct Maintenance-Service	
456			
457		Building, Southside	
458			
459		(Christanna)	464,480
460			
461	Virginia Community College System	Construct Maintenance Services	
462			
463		Building, New River	517,000
464			
465	Virginia Community College System	Construct Maintenance Services	
466			
467		Building, Mountain Empire	564,000
468			
469	Virginia Community College System	Construct Maintenance Services	
470			
471		Building, Rappahannock (Glenns)	463,000
472			
473	Virginia Community College System	Construct Maintenance Services	
474			
475		Building, Southwest Virginia	545,000
476			
477	Virginia Community College System	Construct Facilities	
478			
479		Maintenance Building,	
480			
481		Central Virginia	485,500
482			
483	Virginia Institute		
484			
485	of Marine Science	Construct Marine Research	
486			
487		Bldg. Complex	23,692,000
488			
489	Virginia Institute		
490			
491	of Marine Science	Construct Research Storage	
492			
493		Facility	641,000
494			
495	VPI Coop. Ext./		
496			
497	Agriculture Exp. Station	Construct Agriculture and	
498			
499		Natural Resources Research	
500			
501		Laboratory Facility	23,168,000
502			
503	Southwest Virginia		

504			
505	Higher Ed. Center	Construct Addition to	
506			
507		Southwest Va. Higher Ed.	
508			
509		Center	1,900,000
510			
511	Jamestown-Yorktown Foundation	Renovate/Expand Jamestown	
512			
513		Powhatan Village	1,009,000
514			
515	Jamestown-Yorktown Foundation	Construct Central Support	
516			
517		Complex	6,935,000
518			
519	Jamestown-Yorktown Foundation	Construct Jamestown Riverfront	
520			
521		Support Area	1,847,000
522			
523	Jamestown-Yorktown Foundation	Construct Jamestown Entrance	
524			
525		Plaza, Parking Lots and	
526			
527		Roadways	4,391,000
528			
529	Jamestown-Yorktown Foundation	Construct Jamestown	
530			
531		Maintenance Building	762,000
532			
533	Science Museum of Virginia	Construct Belmont Bay	
534			
535		Science Center	5,000,000
536			
537	Science Museum of Virginia	Renovate Planetarium/IMAX	
538			
539		Theater Sprinklers	2,000,000
540			
541	Science Museum of Virginia	Renovate/Expand Danville	
542			
543		Science Center	3,679,000
544			
545	Virginia Museum of Fine Arts	Renovate/Expand Museum	28,000,000
546			
547	Frontier Culture Museum	Construct Maintenance	
548			
549		Facility	950,000
550			
551	Grand Total		\$900,488,645
552			

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

555 *To the extent that the cost of any capital project listed above is less than the amount allocated to*
556 *such project, the Governor or the Governor's designee may increase the amount allocated to any other*
557 *capital project listed above. No such allocation to a capital project may be increased, however, until it*
558 *has been demonstrated to the satisfaction of the Governor or the Governor's designee that (a) the cost*
559 *of the capital project has been reduced to the extent reasonable, (b) the capital project has not been*
560 *expanded or enhanced beyond that originally approved, and (c) the capital project is suitable and*

561 adequate for the scope originally intended. No increase in the amount allocated to any capital project
 562 shall constitute an authorization for the issuance of bonds in an amount in excess of the aggregate
 563 amount authorized hereunder.

564 § 4. Application of proceeds. Proceeds (including any premium) of the bonds and any BANs (except
 565 the proceeds of (i) bonds, the issuance of which has been anticipated by BANs, (ii) refunding bonds and
 566 (iii) refunding BANs) shall be deposited by the State Treasurer in a special capital outlay fund in the
 567 State Treasury and shall be disbursed only for the purpose for which the bonds or any BANs have been
 568 issued. In the event that the proceeds of the bonds or BANs exceed the cost of the projects specified in
 569 § 3, the Treasury Board shall cause such excess proceeds to be applied to the retirement of the bonds
 570 or BANs. The proceeds of (i) bonds the issuance of which has been anticipated by BANs, (ii) refunding
 571 bonds and (iii) refunding BANs and any funds provided by the General Assembly, or available from any
 572 other source, for the purpose, shall be used to pay such BANs, refunded bonds and refunded BANs.

573 The proceeds of the bonds and any refunding bonds or BANs are hereby appropriated for
 574 disbursement from the state treasury for the current biennium pursuant to Article X, Section 7 of the
 575 Constitution of Virginia, and § 2.2-1819 of the Code of Virginia. The general conditions and general
 576 provisions of the general appropriation act enacted pursuant to Chapter 15 (§ 2.2-1500 et seq.) of Title
 577 2.2 of the Code of Virginia, in effect from time to time, and all of the terms and conditions contained
 578 therein shall apply to the capital projects listed in § 3. The Governor or his designee is hereby
 579 authorized to increase the appropriation for any project listed in § 3 by the amount of the proceeds of
 580 donations, gifts, grants or other nongeneral funds paid into the state treasury in excess of such
 581 appropriation.

582 § 5. Details, sale of bonds and BANs. The bonds shall be dated, shall mature at such time or times
 583 not exceeding twenty-five years from their date or dates and may be made redeemable before their
 584 maturity or maturities at such price or prices or within such price parameters, all as may be determined
 585 by the Treasury Board, by and with the consent of the Governor. The principal of the bonds shall be
 586 amortized by payment into a sinking fund or otherwise, in annual installments. The first annual
 587 installment of principal of the bonds shall become due not later than one-tenth of the term of the bonds,
 588 and no installment of principal of the bonds shall be more than twice the smallest previous installment.
 589 Any such sinking fund shall not be appropriated for any other purpose.

590 The bonds shall be in such form, shall bear interest at such rate or rates, either at fixed rates or at
 591 rates established by formula or other method, and may contain such other provisions, all as the
 592 Treasury Board or the State Treasurer, when authorized by the Treasury Board, may determine. The
 593 principal of and premium, if any, and interest on the bonds and BANs shall be payable in lawful money
 594 of the United States of America. Bonds and BANs may be certificated or uncertificated as determined by
 595 the Treasury Board. The Treasury Board may contract for services of such registrars, transfer agents,
 596 or other authenticating agents as it deems appropriate to maintain a record of the persons entitled to
 597 the bonds and BANs. Bonds and BANs may be issued under a system of book entry for recording the
 598 ownership and transfer of ownership rights to receive payments on the bonds and BANs. The Treasury
 599 Board shall fix the denomination or denominations of the bonds and the place or places of payment of
 600 principal, premium, if any, and interest, which may be at the office of the State Treasurer or at any one
 601 or more banks or trust companies within or without the Commonwealth.

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

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

621 § 6. Refunding. The Treasury Board is hereby authorized, by and with the consent of the Governor,

622 to sell and issue, at one time or from time to time, refunding bonds and BANs of the Commonwealth, to
 623 refund any or all of the bonds and BANs, respectively, issued under this act or otherwise pursuant to
 624 Article X, Section 9(b), of the Constitution of Virginia. Refunding bonds and BANs may be issued in a
 625 principal amount up to the amount necessary to pay at maturity or redeem the bonds and BANs to be
 626 refunded and pay all issuance costs and other financing expenses of the refunding. Such refunding
 627 bonds and BANs may be issued whether or not the bonds or BANs to be refunded are then subject to
 628 redemption. Any escrow or trust fund established with the proceeds from the sale of refunding bonds
 629 shall be irrevocably pledged to the payment of the bonds to be refunded, and shall be used solely to pay
 630 such bonds or BANs at maturity or upon redemption or for the purchase of not less than all of the
 631 bonds or BANs to be refunded. Any such escrow or trust fund shall constitute a special fund for the
 632 payment of such refunded bonds or BANs, and such refunded bonds or BANs, to the extent of amounts,
 633 including the maturity amounts of investments, set aside for the payment thereof in such escrow or trust
 634 fund, shall not be included for the purposes of determining any limitations upon the amount of bonded
 635 indebtedness of the Commonwealth that may be incurred pursuant to Article X, Section 9(b), of the
 636 Constitution of Virginia. The Treasury Board may, however, direct that the interest received from the
 637 investment of the proceeds of the bonds or any BANs be transferred to the general fund of the State
 638 Treasury.

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

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

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

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

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

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

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

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

682 The expenses incurred in conducting this election shall be defrayed as in the case of election of

683 members of the General Assembly.

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

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

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