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HOUSE BILL NO. 1725

Offered January 10, 2007

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A BILL to authorize the Commonwealth Transportation Board to issue revenue bonds for certain transportation projects.

Patrons—Cole, Lingamfelter, Miller, J.H. and Orrock

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. § 1. Title. This Act shall be known and may be cited as the "Transportation Bond Act of 2007."

§ 2. The Commonwealth Transportation Board is hereby authorized, by and with the consent of the Governor, to issue, pursuant to the provisions of the State Revenue Bond Act (§ 33.1-267 et seq. of the Code of Virginia), as amended from time to time, revenue obligations of the Commonwealth to be designated "Commonwealth of Virginia Transportation Investment Notes, Series .," in an aggregate principal amount not exceeding \$550,000,000 to finance the cost of the project set forth in § 3 plus an amount for the issuance costs, reserve funds, and other financing expenses.

The cost of the project shall include, but not be limited to, environmental and engineering studies; rights-of-way acquisition; acquisition, construction and related improvements; and any financing costs and other financing expenses. Such costs may include the payment of interest on the Notes for a period during construction and not exceeding one year after completion of construction of the projects.

§ 3. The transportation project to be funded from the proceeds of the Notes shall be as follows:

Adding an additional lane on both the northbound and southbound lanes of Interstate 95 from Dumfries to Massaponax in Spotsylvania County to expand the regular travel lanes (not the HOV lanes) where the HOV lanes end.

§ 4. The proceeds of the Notes, including any premium received on the sale thereof, shall be made available by the Commonwealth Transportation Board to pay costs of the project and, where appropriate, may be paid to any authority, locality, commission, or other entity for the purposes of paying for costs of the project. The proceeds of the Notes may be used together with any federal, local, or private funds that may be made available for such purpose. The proceeds of the Notes, together with any investment earnings thereon, may at the discretion of the Commonwealth Transportation Board secure the payment of principal or purchase price of and redemption premium, if any, and interest on the Notes.

§ 5. The terms and structure of each issue of the Notes shall be determined by the Commonwealth Transportation Board, subject to approval by the Treasury Board in accordance with § 2.2-2416 of the Code of Virginia, as amended. The Notes of each issue shall be dated; shall be issued in a principal amount (subject to the limitations set forth in § 2); shall bear interest at such rate or rates that may be fixed, adjustable, variable or a combination thereof, and may be determined by a formula or other method; shall mature at such time or times not exceeding 10 years after the issuance thereof; and may be made subject to purchase or redemption before their maturity or maturities, at such price or prices and under such terms and conditions, all as may be determined by the Commonwealth Transportation Board. The Commonwealth Transportation Board shall determine the form of Notes, whether the Notes are certificated or uncertificated, and fix the authorized denomination or denominations of the Notes and the place or places of payment of principal or purchase price of, and redemption premium, if any, and interest on the Notes, which may be at the office of the State Treasurer or any bank or trust company within or without the Commonwealth. The principal or purchase price of, and redemption premium, if any, and interest on the Notes shall be made payable in lawful money of the United States of America. Each issue of the Notes may be issued under a system of book entry for recording the ownership and transfer of ownership of rights to receive payments of principal or purchase price of and redemption premium, if any, and interest on such Notes. All Notes shall have and are hereby declared to have, as between successive holders, all the qualities and incidents of negotiable instruments under the negotiable instruments law of the Commonwealth.

The Commonwealth Transportation Board may sell the Notes from time to time at public or private sale, by competitive bidding, negotiated sale or private placement, for such price or prices as it may determine to be in the best interests of the Commonwealth.

§ 6. The Notes shall be signed on behalf of the Commonwealth Transportation Board by the chairman or vice-chairman of the Commonwealth Transportation Board, or shall bear the facsimile signature of such officer, and shall bear the official seal of the Board, which shall be attested to by the

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59 manual or facsimile signature of the secretary or assistant secretary of the Commonwealth
60 Transportation Board. In the event that the Notes shall bear the facsimile signature of the chairman or
61 vice-chairman of the Commonwealth Transportation Board, such Notes shall be signed by such
62 administrative assistant as the chairman of the Transportation Board shall determine or by any
63 registrar/paying agent that may be designated by the Commonwealth Transportation Board. In case any
64 officer whose signature or a facsimile of whose signature appears on any Notes shall cease to be such
65 officer before the delivery of such Notes, such signature or facsimile signature nevertheless shall be
66 valid and sufficient for all purposes as if such officer had remained in office until such delivery.

67 § 7. All expenses incurred under this Act or in connection with the issuance of the Notes shall be
68 paid from the proceeds of such Notes or from any available funds as the Commonwealth Transportation
69 Board shall determine.

70 § 8. The Commonwealth Transportation Board is hereby authorized to borrow money at such rate or
71 rates through the execution and issuance of the Notes for the same, but only in the following
72 circumstances and under the following conditions:

73 a. In anticipation of the sale of the Notes, the issuance of which shall have been authorized by the
74 Commonwealth Transportation Board and shall have been approved by the Governor, if the
75 Commonwealth Transportation Board shall deem it advisable to postpone the issuance of such Notes; or

76 b. For the renewal of any anticipation notes herein authorized.

77 § 9. The proceeds of the Notes and of any anticipation notes herein authorized (except the proceeds
78 of the Notes the issuance of which has been anticipated by such anticipation notes) shall be placed by
79 the State Treasurer in a special fund in the state treasury, or may be placed with a trustee in
80 accordance with § 33.1-283 of the Code of Virginia, as amended, and shall be disbursed only for the
81 purpose for which such Notes and such anticipation notes shall be issued; provided, however, that
82 proceeds derived from the sale of the Notes herein authorized shall be first used in the payment of any
83 anticipation notes that may have been issued in anticipation of the sale of such Notes and any renewals
84 of such Notes. The proceeds of the Notes and of any anticipation notes herein authorized, together with
85 any investment earnings thereon, shall not be taken into account in computing, and shall be in addition
86 to funds allocated pursuant to the highway allocation formula set forth in § 33.1-23.1 of the Code of
87 Virginia, as amended.

88 § 10. The Commonwealth Transportation Board is hereby authorized to receive any other funds that
89 may be made available to pay costs of the projects and, subject to appropriation, to make available the
90 same to the payment of the principal or purchase price of, and redemption premium, if any, and interest
91 on the Notes authorized hereby and to enter into the appropriate agreements to allow for those funds to
92 be paid into the state treasury, or to a trustee in accordance with § 33.1-283 of the Code of Virginia, as
93 amended, to pay a part of the costs of the projects or to pay principal or purchase price of, and
94 redemption premium, if any, and interest on the Notes.

95 § 11. The Commonwealth Transportation Board, in connection with the issuance of the Notes, shall
96 establish a fund in accordance with § 33.1-286 of the Code of Virginia, as amended, either in the state
97 treasury or with a trustee in accordance with § 33.1-283 of the Code of Virginia, as amended, which
98 shall secure and be used for the payment of the Notes to the credit of which there shall be deposited
99 such amounts, appropriated therefor by the General Assembly, as are required to pay principal or
100 purchase price of, and redemption premium, if any, and interest on the Notes, as and when due and
101 payable.

102 § 12. Note proceeds and moneys in any reserve funds and sinking funds in respect of the Notes shall
103 be invested by the State Treasurer in accordance with the provisions of general law relating to the
104 investment of such funds belonging to or in the control of the Commonwealth, or by a trustee in
105 accordance with § 33.1-283 of the Code of Virginia, as amended.

106 § 13. The interest income from, and any profit made on the sale of, the obligations issued under the
107 provisions of this Act shall at all times be free and exempt from taxation by the Commonwealth and by
108 any municipality, county, or other political subdivision thereof.

109 § 14. All obligations issued under the provisions of this Act are hereby made securities in which all
110 persons and entities listed in § 33.1-280 of the Code of Virginia, as amended, may properly and legally
111 invest funds under their control.