

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: HB41

House of Origin	<u> X </u>	Introduced	<u> </u>	Substitute	<u> </u>	Engrossed
Second House	<u> </u>	In Committee	<u> </u>	Substitute	<u> </u>	Enrolled

2. Patron: Putney

3. Committee: Appropriations

4. Title: Higher Education 9(c) Issuance Bill

5. Summary/Purpose: This bill authorizes the issuance of general obligation bonds subject to the provisions of Article X, Section 9(c) of the Constitution of Virginia in an amount not to exceed \$206,870,000 plus financing costs for revenue-producing capital projects. Of this amount, \$750,000 relates to a supplement for a previously authorized project. The remaining \$206,120,000 is for new capital projects.

The bonds are backed by the full faith and credit of the Commonwealth and therefore, constitute tax-supported debt. The bill also states that an emergency exists and that the bill is in force from its passage.

6. No Fiscal Impact: It is expected that the projects, included in the bill, will generate sufficient nongeneral fund revenues to pay operating expenses and debt service.

7. Budget Amendment Necessary: No.

8. Fiscal implications: Institutions will need nongeneral fund appropriations for debt service once the projects are complete. Institutions of higher education affected by the bill must set rates, fees, and/or charges at levels that will generate sufficient net revenues to retire the debt.

9. Specific Agency or Political Subdivisions Affected:

Christopher Newport University
Norfolk State University
Virginia Commonwealth University
Department of the Treasury

George Mason University
College of William and Mary
Virginia Tech
Treasury Board

10. Technical Amendment Necessary:

11. Other Comments: House Bill 41 is identical to Senate Bill 15.

Date: 01/12/10/aps

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