

LD6903809

## SENATE BILL NO. 80

Offered January 14, 1994

A *BILL to authorize the issuance of bonds subject to the provisions of Section 9(c) of Article X of the Constitution of Virginia in an amount not to exceed \$160,971,300, plus amounts needed to fund issuance costs, reserve funds and other financing expenses, for the purpose of providing funds with any other available funds for paying the costs of acquiring, constructing and equipping revenue-producing capital projects at institutions of higher learning of the Commonwealth; to authorize the Treasury Board, by and with the consent of the Governor, to fix the details of such bonds and to provide for the sale of such bonds at public or private sale; to provide for the pledge of the net revenues of such capital projects and the full faith, credit and taxing power of the Commonwealth for the payment of the principal of and the interest on such bonds; to provide that such bonds shall be exempt from all taxation by the Commonwealth and any political subdivision thereof; and to repeal Chapters 507 and 515 of the Acts of Assembly of 1993.*

Patron—Andrews

Referred to the Committee on Finance

Whereas, Section 9(c) of Article X of the Constitution of Virginia provides that the General Assembly may authorize the creation of debt secured by a pledge of net revenues derived from rates, fees or other charges and the full faith and credit of the Commonwealth of Virginia, provided that such debt is created for specific revenue-producing capital projects, including the enlargement or improvement thereof, at, among others, institutions of higher learning of the Commonwealth; and

Whereas, in accordance with the provisions of Section 9(c) of Article X of the Constitution of Virginia, the Governor has certified in writing, filed with the Auditor of Public Accounts, his opinion that the anticipated net revenues of each of the capital projects set forth below to be pledged to the payment of the principal of, and the interest on, that portion of such debt issued for each such project will be sufficient to meet such payments as the same become due and to provide such reserves as may be required by law and that each of the capital projects complies with the requirements of Section 9(c) of Article X of the Constitution of Virginia; now, therefore,

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

**1. § 1. This act shall be known and may be cited as the "Commonwealth of Virginia Higher Educational Institutions Bond Act of 1994."**

§ 2. The Treasury Board is hereby authorized, by and with the consent of the Governor, to sell and issue, subject to the provisions of Section 9(c) of Article X of the Constitution of Virginia, at one time or from time to time, bonds of the Commonwealth, to be designated "Commonwealth of Virginia Higher Educational Institutions Bonds, Series ....." in an aggregate principal amount not exceeding \$160,971,300, plus amounts needed to fund issuance costs, reserve funds and other financing expenses. The proceeds of such bonds, excluding amounts needed to fund issuance costs, reserve funds and other financing expenses, shall be used exclusively for the purpose of providing funds, with any other available funds, for paying the costs of acquiring, constructing, renovating, enlarging, improving and equipping revenue-producing capital projects at institutions of higher learning of the Commonwealth as follows:

Institution	Project Number	Debt	Project Name
University of Virginia	14638	\$ 182,600	Central Grounds Parking Facilitiy
University of Virginia	15400	11,997,000	Newcomb Hall Expansion
University of Virginia	15472	6,000,000	Student Housing
University of			Student Housing-

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59	Virginia			Clinch Valley
60		15473	2,000,000	College
61				
62	Virginia Polytechnic			Major Repairs
63	Institute	14303	1,078,900	Dorm/Dining System
64				
65	Virginia Polytechnic			Parking Auxiliary
66	Institute	14815	7,484,300	Projects
67				
68	Virginia Polytechnic			
69	Institute	15524	15,075,000	Residence Hall
70				
71	Virginia Polytechnic			
72	Institute	15525	5,000,000	Dining Hall
73				
74	Virginia Commonwealth			VCU/MCV Visitor's
75	University	15160	2,838,300	Parking Deck
76				
77	Virginia Commonwealth			Academic Parking
78	University	15523	11,587,000	Deck, Phase II
79				
80	George Mason			
81	University	14536	17,500,900	Residence Hall V
82				
83	George Mason			
84	University	14657	684,000	Parking Structure
85				
86	George Mason			
87	University	14653	17,680,900	Residence Hall VI
88				
89	George Mason			Telecommunications
90	University	15037	3,825,000	System
91				
92	George Mason			University Center
93	University	14647	4,169,500	and Library
94				
95	George Mason			Arlington-Metro,
96	University	15345	2,000,000	Phase I (Parking)
97				
98	George Mason			
99	University	15533	3,400,000	Housing Renovations
100				
101	George Mason			Prince William
102	University			Site Development
103		14814	2,200,000	(Parking)
104				
105	College of William			Graduate
106	and Mary	14417	409,100	Dormitory
107				
108	College of William			Dormitory
109	and Mary	14416	224,500	Renovation
110				
111	College of William			
112	and Mary	14735	1,020,400	University Center
113				
114	College of William			Dormitory Reno-
115	and Mary	15541	3,915,000	vation, Phase II

College of William and Mary	14736	3,574,000	Underground Utility System
James Madison University	15361	2,393,100	Dining Facility Renovations
James Madison University	14614	891,800	Primary Elec- trical Upgrade
James Madison University	15485	5,313,000	Student Services
James Madison University	15620	3,214,000	Phase II Parking Structure
James Madison University	15619	11,771,000	Residence Hall
Longwood College	15502	8,150,000	New Dining Hall
Virginia State University	15337	2,621,000	Langston Hall
Christopher Newport University	14725	2,771,900	Dormitory/ Dining Project
TOTAL		\$160,971,300	

§ 3. The proceeds of the bonds and any bond anticipation notes, except the proceeds of bonds the issuance of which has been anticipated by bond anticipation notes, shall be deposited in a special capital outlay fund in the state treasury and shall be disbursed by the State Treasurer for paying all or any part of the cost of the acquisition, construction, renovation, enlargement, improvement and equipping of said capital projects in the amounts provided above, plus issuance costs, reserve funds and other financing expenses.

§ 4. The bonds shall be dated, shall bear interest at such rate or rates, shall mature at such time or times not exceeding thirty years from their date or dates, and may be made redeemable before their maturity or maturities at such price or prices, all as may be determined by the Treasury Board, by and with the consent of the Governor. The principal of, premium, if any, and the interest on the bonds shall be payable in lawful money of the United States of America. The Treasury Board shall determine the form of the bonds and 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 bank or trust company within or without the Commonwealth. The bonds may bear interest at such rate or rates subject to inclusion in gross income for federal income tax purposes as may be determined by the Treasury Board, by and with the consent of the Governor.

The bonds may be in registered form or as may be required by federal law in effect on the date of issuance. 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 the principal, premium, if any, and interest due thereon. Bonds issued in registered form may be issued under a system of book entry for recording the ownership and transfer of ownership of rights to receive payments of principal of, premium, if any, and interest on the bonds. The bonds shall be deemed to be negotiable instruments under the laws of the Commonwealth.

The Treasury Board may sell the bonds in such manner, at public or private sale, and for such price as it may determine, by and with the consent of the Governor, to be in the best interest of the Commonwealth. The bonds may be sold at par, at a premium or at a discount.

Anything in this act to the contrary notwithstanding, the bonds authorized hereby may be issued at one time or in part may be issued and sold at the same time with other bonds of the Commonwealth authorized pursuant to Article X, Section 9 (c) of the Constitution of Virginia, either as separate issues, as a combined issue designated "Commonwealth of Virginia, Article X, Section 9 (c) Project Bonds,

175 *Series ....., " or as a combination of both.*

176 *The Treasury Board shall be authorized to supplement the special capital outlay fund in the state*  
177 *treasury created pursuant to § 3 hereof from excess moneys in any debt service, sinking or comparable*  
178 *fund established pursuant to previous issues of higher educational institutions bonds so long as such*  
179 *excess fund moneys are not otherwise restricted by law or by express contract with the holders of such*  
180 *prior bonds.*

181 *§ 5. The bonds shall be signed on behalf of the Commonwealth by the Governor, or shall bear his*  
182 *facsimile signature, and by the State Treasurer, or shall bear his facsimile signature, and shall bear the*  
183 *lesser seal of the Commonwealth or a facsimile thereof. If the bonds bear the facsimile signature of the*  
184 *State Treasurer, the bonds shall be signed by such administrative assistant as the State Treasurer shall*  
185 *determine, or by such registrar or paying agent as may be designated to sign such bonds by the*  
186 *Treasury Board. If any officer whose signature or facsimile signature appears on any bonds ceases to*  
187 *be such officer before the delivery of such bonds, such signature or facsimile signature shall*  
188 *nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such*  
189 *delivery, and any bond may bear the facsimile signature of, or may be signed by, such persons as at the*  
190 *actual time of the execution of such bond are the proper officers to sign such bond although, at the date*  
191 *of such bond, such persons may not have been such officers.*

192 *§ 6. All expenses incurred under this act shall be paid from the proceeds of the bonds, from*  
193 *payments made by the institutions for which the capital projects were acquired, constructed, renovated,*  
194 *enlarged, improved or equipped, or from any other available funds as the Treasury Board shall*  
195 *determine, including excess moneys in any debt service, sinking or comparable fund created in*  
196 *connection with prior issues of higher educational institutions bonds to the extent not otherwise*  
197 *restricted by law or by contract with the holders of such prior bonds.*

198 *§ 7. The Treasury Board is hereby authorized, by and with the consent of the Governor, to borrow*  
199 *money in anticipation of the issuance of the bonds, if the Treasury Board and the Governor deem it*  
200 *advisable to postpone the issuance of the bonds. Proceeds of the bonds shall be used to pay any such*  
201 *bond anticipation notes. Funds provided by the General Assembly, or from any other source, for the*  
202 *payment of the principal of, premium, if any, and the interest on the bonds shall be used in paying the*  
203 *principal of, premium, if any, and the interest on any bond anticipation notes. Such bond anticipation*  
204 *notes shall be dated, shall mature at such time or times not exceeding five years from their dates, and*  
205 *may be redeemable before their maturity or maturities at such price or prices, all as may be determined*  
206 *by the Treasury Board, by and with the consent of the Governor. Such bond anticipation notes shall be*  
207 *in such form, shall be executed in such manner, shall bear interest at such rate or rates, either at fixed*  
208 *rates or at rates established by formula or other method, and may contain such other provisions, all as*  
209 *the Treasury Board or the State Treasurer, when authorized by the Treasury Board, may determine.*  
210 *Such bond anticipation notes may bear interest subject to inclusion in gross income for federal income*  
211 *tax purposes as may be determined by the Treasury Board, by and with the consent of the Governor.*

212 *§ 8. Pending the application of the proceeds of the bonds and any bond anticipation notes to the*  
213 *purpose for which they have been authorized, all or any part of such proceeds may be invested by the*  
214 *State Treasurer in securities that are legal investments under the laws of the Commonwealth for public*  
215 *funds. Such investments shall be deemed at all times to be a part of such proceeds, and the interest*  
216 *thereon and any profit realized from such investments shall be credited to such proceeds and any losses*  
217 *shall be deducted therefrom.*

218 *§ 9. Each institution of higher learning mentioned above is hereby authorized (i) to fix, revise,*  
219 *charge and collect a building fee or other comprehensive student fee and other rates, fees and charges*  
220 *for or in connection with the use, occupation and services of each capital project mentioned above or*  
221 *the system of which such capital project is a part and (ii) to pledge such rates, fees and charges*  
222 *remaining after payment of (a) the expenses of operating the project or system, as the case may be and*  
223 *(b) the expenses related to all other activities funded by the building fee or other comprehensive student*  
224 *fee, if applicable, to the payment of the principal of, premium, if any, and interest on the portion of the*  
225 *bonds issued for such capital project. Each such institution is further authorized to create debt service*  
226 *and sinking funds for the payments of the principal of, premium, if any, and interest on the bonds and*  
227 *other reserves required by any agency of the United States of America purchasing the bonds or any*  
228 *portion thereof.*

229 *§ 10. The net revenues of the capital projects set forth above and the full faith, credit and taxing*  
230 *power of the Commonwealth are hereby irrevocably pledged for the payment of the principal of and the*  
231 *interest on the bonds and the bond anticipation notes herein authorized. In the event the net revenues*  
232 *pledged hereby are insufficient in any fiscal year for the timely payment of the principal of, premium, if*  
233 *any, and the interest on the bonds or bond anticipation notes herein authorized, the General Assembly*  
234 *shall appropriate a sum sufficient therefor or the Governor shall direct payment therefor from the*  
235 *general fund revenues of the Commonwealth.*

236 *§ 11. The interest income on the bonds and bond anticipation notes issued under the provisions of*

237 *this act shall at all times be exempt from taxation by the Commonwealth and by any county, city or*  
238 *town, or other political subdivision thereof.*

239 *§ 12. The bonds issued under the provisions of this act may be refunded by refunding bonds*  
240 *authorized and issued in accordance with the provisions of Chapters 265 and 408 of the 1992 Acts of*  
241 *Assembly.*

242 **2. That Chapters 507 and 515 of the Acts of Assembly of 1993 are repealed, provided that such**  
243 **repeal shall not operate to invalidate, alter the security, or prohibit the refunding of bonds**  
244 **heretofore issued pursuant to such act.**

245 **3. That an emergency exists and this act is in force from its passage.**

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