

VIRGINIA ACTS OF ASSEMBLY -- 1995 SESSION

CHAPTER 188

An Act to amend and reenact § 22.1-168.1 of the Code of Virginia, relating to bonds of the Virginia Public School Authority.

[S 902]

Approved March 14, 1995

Be it enacted by the General Assembly of Virginia:

1. That § 22.1-168.1 of the Code of Virginia is amended and reenacted as follows:

§ 22.1-168.1. Reserve fund; limitations.

A. If the Board of Commissioners deems it proper to create a reserve fund or funds from bond proceeds to support an issuance of bonds in accordance with the provisions of this section, all moneys held in such reserve fund, except as hereinafter provided, shall be pledged solely for the payment of the principal and interest on the bonds secured in whole or in part by such a fund. Any income or interest earned on, or increment to, any reserve fund may be transferred by the Board of Commissioners to other funds or accounts of the Authority to the extent it does not reduce the amount of the reserve fund below its minimum requirement.

B. The Board of Commissioners shall not at any time issue bonds secured in whole or in part by any reserve fund referred to in subsection C, if upon the issuance of the bonds, the amount in the reserve fund will be less than its minimum requirement unless the Board of Commissioners, at the time of issuance of the bonds, deposits in the fund an amount which, together with the amount then in the fund, will not be less than the fund's minimum reserve requirement.

C. In order to ensure further the maintenance of reserve funds established in accordance with the provisions of this section, the chairman of the Board of Commissioners shall annually, on or before December 1, make and deliver to the Governor and the Secretary of Administration a certificate stating the sum, if any, required to restore each reserve fund to its minimum requirement. Within five days after the beginning of each session of the General Assembly, the Governor shall submit to the presiding officer of each house of the General Assembly printed copies of a budget including the sum, if any, required to restore each reserve fund to its minimum requirement. All sums, if any, which may be appropriated by the General Assembly for any restoration and paid to the Authority shall be deposited by the Authority in the applicable reserve fund. All amounts paid to the Board of Commissioners by the Commonwealth pursuant to the provisions of this section shall constitute and be accounted for as advances by the Commonwealth to the Authority and, subject to the rights of the holders of any bonds of the Authority, shall be repaid to the Commonwealth without interest from available revenues of the Authority in excess of the amounts required for the payment of bonds or other obligations of the Authority, the maintenance of reserve funds, and operating expenses.

D. Excluding bonds issued prior to July 1, 1991, the total principal amount of bonds outstanding at any one time, issued by the Board of Commissioners in accordance with the provisions of this section, shall not exceed the sum of ~~\$500~~ \$800 million without the prior approval of the General Assembly.

E. Nothing in this section shall be construed as limiting the power of the Board of Commissioners to issue bonds (i) not secured by a reserve fund or (ii) secured by a reserve fund not described in this section.