

LD3207605

SENATE BILL NO. 954

Offered January 23, 1995

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 \$13,707,000, 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.*

Patrons—Walker and Lambert; Delegate: Jones, J.C.

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 1995."

§ 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 \$23,204,100, 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
Virginia State University	15621	\$2,649,200	Foster Hall Student Union
Virginia State University	15622	\$3,570,000	Jones Dining Hall
Virginia State University	15623	\$2,704,900	Dormitory Repairs
Norfolk State University	15XXX	\$9,180,000	Multi-Purpose Stadium

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58	College of William			Dormitory
59	and Mary	15XXX	\$5,100,000	Repairs
60				
61	TOTAL		\$23,204,100	

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

69 § 4. The bonds shall be dated, shall bear interest at such rate or rates, shall mature at such time or
 70 times not exceeding thirty years from their date or dates, and may be made redeemable before their
 71 maturity or maturities at such price or prices, all as may be determined by the Treasury Board, by and
 72 with the consent of the Governor. The principal of, premium, if any, and the interest on the bonds shall
 73 be payable in lawful money of the United States of America. The Treasury Board shall determine the
 74 form of the bonds and shall fix the denomination or denominations of the bonds and the place or places
 75 of payment of principal, premium, if any, and interest, which may be at the Office of the State Treasurer
 76 or at any bank or trust company within or without the Commonwealth. The bonds may bear interest at
 77 such rate or rates subject to inclusion in gross income for federal income tax purposes as may be
 78 determined by the Treasury Board, by and with the consent of the Governor.

79 The bonds may be in registered form or as may be required by federal law in effect on the date of
 80 issuance. The Treasury Board may contract for services of such registrars, transfer agents, or other
 81 authenticating agents as it deems appropriate to maintain a record of the persons entitled to the bonds
 82 and the principal, premium, if any, and interest due thereon. Bonds issued in registered form may be
 83 issued under a system of book entry for recording the ownership and transfer of ownership of rights to
 84 receive payments of principal of, premium, if any, and interest on the bonds. The bonds shall be deemed
 85 to be negotiable instruments under the laws of the Commonwealth.

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

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

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

99 § 5. The bonds shall be signed on behalf of the Commonwealth by the Governor, or shall bear his
 100 facsimile signature, and by the State Treasurer, or shall bear his facsimile signature, and shall bear the
 101 lesser seal of the Commonwealth or a facsimile thereof. If the bonds bear the facsimile signature of the
 102 State Treasurer, the bonds shall be signed by such administrative assistant as the State Treasurer shall
 103 determine, or by such registrar or paying agent as may be designated to sign such bonds by the
 104 Treasury Board. If any officer whose signature or facsimile signature appears on any bonds ceases to
 105 be such officer before the delivery of such bonds, such signature or facsimile signature shall
 106 nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such
 107 delivery, and any bond may bear the facsimile signature of, or may be signed by, such persons as at the
 108 actual time of the execution of such bond are the proper officers to sign such bond although, at the date
 109 of such bond, such persons may not have been such officers.

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

116 § 7. The Treasury Board is hereby authorized, by and with the consent of the Governor, to borrow
 117 money in anticipation of the issuance of the bonds, if the Treasury Board and the Governor deem it
 118 advisable to postpone the issuance of the bonds. Proceeds of the bonds shall be used to pay any such

bond anticipation notes. Funds provided by the General Assembly, or from any other source, for the payment of the principal of, premium, if any, and interest on the bonds shall be used in paying the principal of, premium, if any, and interest on any bond anticipation notes. Such bond anticipation notes shall be dated and shall mature at such time or times not exceeding five years from their dates, and may be 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. Such bond anticipation notes shall be in such form, shall be executed in such manner, shall bear interest at such rate or rates, either at fixed rates or at rates established by formula or other method, and may contain such other provisions, all as the Treasury Board or the State Treasurer, when authorized by the Treasury Board, may determine. Such bond anticipation notes may bear interest 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.

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

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

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

§ 11. The interest income on the bonds and bond anticipation notes issued under the provisions of this act shall at all times be exempt from taxation by the Commonwealth and by any county, city or town, or other political subdivision thereof.

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

2. That Chapters 824 and 878 of the Acts of Assembly of 1994 are repealed, provided that such repeal shall not operate to invalidate, alter the security, or prohibit the refunding of bonds heretofore issued pursuant to such act.

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