

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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An Act to authorize the issuance of bonds, in an amount up to \$206,085,243 plus financing costs, pursuant to Article X, Section 9 (c) of the Constitution of Virginia, for paying 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, to provide for the sale of such bonds, and to issue notes to borrow money in anticipation of the issuance of the bonds; 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 such bonds; to provide that the interest income on such bonds and notes shall be exempt from all taxation by the Commonwealth and any political subdivision thereof; emergency.

[S 1121]

Approved

Whereas, Article X, Section 9 (c), 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 their enlargement or improvement, at, among others, institutions of higher learning of the Commonwealth; and

Whereas, in accordance with Article X, Section 9 (c), 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 identified 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 Article X, Section 9 (c), Constitution of Virginia; now therefore,

Be it enacted by the General Assembly of Virginia:

1. § 1. Title. This act shall be known and may be cited as the "Commonwealth of Virginia Higher Educational Institutions Bond Act of 2025."

§ 2. Authorization of bonds and BANs. The Treasury Board is hereby authorized, by and with the consent of the Governor, to sell and issue, pursuant to Article X, Section 9 (c), 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 \$206,085,243, plus amounts needed to fund issuance costs, reserve funds, construction period interest, and other financing expenses. The Treasury Board is further hereby authorized, by and with the consent of the Governor, to borrow money in anticipation of the issuance of bonds by the issuance of bond anticipation notes (BANs), including BANs issued as commercial paper. The proceeds of such bonds and BANs, 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 all or a portion of 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 Title	Project Code	Amount
James Madison University	Construct Student Housing	18771	\$86,085,243
The College of William & Mary in Virginia	Construct West Woods Phase 2	18766	\$120,000,000
Total			\$206,085,243

§ 3. Application of proceeds. The proceeds, including any premium, of bonds and BANs (except the proceeds of (i) bonds the issuance of which has been anticipated by BANs, (ii) refunding bonds, and (iii) refunding BANs) shall be deposited in a special capital outlay fund in the state treasury and, together with the investment income thereon, shall be disbursed by the State Treasurer for paying costs of the acquisition, construction, renovation, enlargement, improvement, and equipping of the authorized capital projects, including financing costs. The proceeds of (a) bonds the issuance of which has been anticipated by BANs, (b) refunding bonds, and (c) refunding BANs shall be used to pay such BANs, refunded bonds, and refunded BANs.

§ 4. Details, sale of bonds and BANs. Bonds and BANs shall be dated, and may be made redeemable before their maturity or maturities at such price or prices or within such price parameters, all as may be determined by the Treasury Board, by and with the consent of the Governor. Bonds and BANs shall be in such form, 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 determined by the Treasury Board or, when authorized by the Treasury Board, the State Treasurer. The principal of and premium, if any, and the interest

58 on bonds and BANs shall be payable in lawful money of the United States of America. Bonds and BANs may
 59 be certificated or uncertificated as determined by the Treasury Board. The Treasury Board may contract for
 60 services of such registrars, transfer agents, or other authenticating agents as it deems appropriate to
 61 maintain a record of the persons entitled to the bonds and BANs. Bonds and BANs issued in certificated form
 62 may be issued under a system of book entry for recording the ownership and transfer of ownership of rights
 63 to receive payments on the bonds and BANs. The Treasury Board shall fix the authorized denomination or
 64 denominations of the bonds and the place or places of payment of certificated bonds and BANs, which may be
 65 at the Office of the State Treasurer or at any bank or trust company within or without the Commonwealth.
 66 Bonds shall mature at such time or times not exceeding 30 years from their date or dates, and BANs shall
 67 mature at such time or times not exceeding five years from their date or dates.

68 The Treasury Board may sell bonds and BANs in such manner, by competitive bidding, negotiated sale, or
 69 private placement and for such price or within such price parameters as it may determine, by and with the
 70 consent of the Governor, to be in the best interest of the Commonwealth.

71 In the discretion of the Treasury Board, bonds and BANs may be issued at one time or from time to time
 72 and may be sold and issued at the same time with other general obligation bonds and BANs, respectively, of
 73 the Commonwealth authorized pursuant to Article X, Section 9 (a) (3), (b), and (c) of the Constitution of
 74 Virginia, as separate issues or as a combined issue, designated "Commonwealth of Virginia General
 75 Obligation Bonds Bond Anticipation Notes, Series".

76 § 5. Execution of bonds and BANs. Certificated bonds and BANs shall be signed on behalf of the
 77 Commonwealth by the Governor and by the State Treasurer, or shall bear their facsimile signatures, and
 78 shall bear the lesser seal of the Commonwealth or a facsimile thereof. If the bonds or BANs bear the
 79 facsimile signature of the State Treasurer, they shall be signed by such administrative assistant as the State
 80 Treasurer shall determine or by such registrar or paying agent as may be designated to sign them by the
 81 Treasury Board. If any officer whose signature or facsimile signature appears on any bonds or BANs ceases
 82 to be such officer before delivery, such signature or facsimile signature shall nevertheless be valid and
 83 sufficient for all purposes the same as if such officer had remained in office until such delivery, and any bond
 84 or BAN may bear the facsimile signature of, or may be signed by, such persons as at the actual time of
 85 execution are the proper officers to sign such bond or BAN, although, at the date of such bond or BAN, such
 86 persons may not have been such officers.

87 § 6. Sources for payment of expenses. All expenses incurred under this act shall be paid from the proceeds
 88 of bonds or BANs, from payments made by the institutions for which the capital projects were authorized in §
 89 2 hereof or from any other available funds as the Treasury Board shall determine.

90 § 7. Revenues. Each institution of higher learning named above is hereby authorized (i) to fix, revise,
 91 charge, and collect rates, fees, and charges for or in connection with the use, occupancy, and services of
 92 each capital project mentioned above or the system of which such capital project is a part and (ii) to pledge
 93 to the portion of the bonds or BANs issued for such capital project the net revenues resulting from such rates,
 94 fees, and charges and remaining after payment of the expenses of operating the project or system, as the case
 95 may be. Each such institution is further authorized to create debt service and sinking funds for the payments
 96 of the principal of, premium, if any, and interest on the bonds and other reserves required by any agency of
 97 the United States of America purchasing the bonds or any portion thereof.

98 § 8. Investments and contracts. A. Pending the application of the proceeds of the bonds or BANs
 99 (including refunding bonds and BANs) to the purpose for which they have been authorized and the
 100 application of funds set aside for the purpose to the payment of bonds or BANs, they may be invested by the
 101 State Treasurer in securities that are legal investments under the laws of the Commonwealth for public funds
 102 and sinking funds, as the case may be. Whenever the State Treasurer receives interest from the investment of
 103 the proceeds of bonds or any BANs, such interest shall become a part of the principal of the bonds or any
 104 BANs and shall be used in the same manner as required for principal of the bonds or BANs.

105 B. The Commonwealth may enter into any contract or other arrangement that is determined to be
 106 necessary or appropriate to place the obligation or investment of the Commonwealth, as represented by
 107 bonds, BANs, or investments, in whole or in part, on the interest rate, cash flow, or other basis desired by the
 108 Commonwealth. Such contract or other arrangement may include, without limitation, contracts commonly
 109 known as interest rate swap agreements and futures or contracts providing for payments based on levels of,
 110 or changes in, interest rates. These contracts or arrangements may be entered into by the Commonwealth in
 111 connection with, or incidental to, entering into, or maintaining any (i) agreement which secures bonds or
 112 BANs or (ii) investment, or contract providing for investment, otherwise authorized by law. These contracts
 113 and arrangements may contain such payment, security, default, remedy, and other terms and conditions as
 114 determined by the Commonwealth, after giving due consideration to the creditworthiness of the counterparty
 115 or other obligated party, including any rating by any nationally recognized rating agency, and any other
 116 criteria as may be appropriate. The determinations referred to in this subsection may be made by the
 117 Treasury Board or any public funds manager with professional investment capabilities duly authorized by the
 118 Treasury Board to make such determinations.

119 C. Any money set aside and pledged to secure payments of bonds, BANs, or any of the contracts entered

120 into pursuant to this section may be invested in accordance with subsection A and may be pledged to and
 121 used to service any of the contracts or other arrangements entered into pursuant to subsection B.

122 § 9. Security for bonds and BANs. The net revenues of the capital projects set forth above and the full
 123 faith and credit of the Commonwealth are hereby irrevocably pledged for the payment of the principal of and
 124 the interest on bonds and BANs (unless the Treasury Board, by and with the consent of the Governor, shall
 125 provide otherwise) issued under this act. The proceeds of (i) bonds the issuance of which has been
 126 anticipated by BANs, (ii) refunding bonds, and (iii) refunding BANs are hereby irrevocably pledged for the
 127 payment of principal of and interest and any premium on the BANs or bonds to be paid or redeemed thereby.
 128 In the event the net revenues pledged to the payment of the bonds or BANs are insufficient in any fiscal year
 129 for the timely payment of the principal of, premium, if any, and interest on the bonds or BANs, where the full
 130 faith and credit of the Commonwealth have been pledged, the General Assembly shall appropriate a sum
 131 sufficient therefor or the Governor shall direct payment therefor from the general fund revenues of the
 132 Commonwealth.

133 § 10. Exemption of interest from tax. The bonds and BANs issued under the provisions of this act, their
 134 transfer and the income therefrom, including any profit made on the sale thereof, shall at all times be free
 135 and exempt from taxation by the Commonwealth and by any county, city, or town or other political
 136 subdivision thereof. The Treasury Board is authorized to take or refrain from taking any and all actions and
 137 to covenant to such effect, and to require the participating institutions to do and to covenant likewise, to the
 138 extent that, in the judgment of the Treasury Board, it is appropriate in order that interest on the bonds and
 139 BANs may be exempt from federal income tax. Alternatively, interest on bonds and BANs may be made
 140 subject to inclusion in gross income of the holders thereof for federal income tax purposes.

141 § 11. Refunding bonds and BANs. The Treasury Board is authorized, by and with the consent of the
 142 Governor, to sell and issue, at one time or from time to time, refunding bonds and BANs of the
 143 Commonwealth, to refund any or all of the bonds and BANs, respectively, issued under this act or otherwise
 144 authorized pursuant to Article X, Section 9 (c), Constitution of Virginia. Refunding bonds and BANs may be
 145 issued in a principal amount up to the amount necessary to pay at maturity or redeem the bonds and BANs to
 146 be refunded and pay all issuance costs and other financing expenses of the refunding. Such refunding bonds
 147 and BANs may be issued whether or not the obligations to be refunded are then subject to redemption.

148 § 12. Defeasance. Any bond or BAN for which cash or direct obligations of the United States of America
 149 shall have been set aside in escrow with the State Treasurer or a bank or trust company, within or without the
 150 Commonwealth, shall be deemed no longer outstanding under the applicable authorizing instrument, this act,
 151 and Article X, Section 9 (c) or (b), as the case may be, of the Constitution of Virginia.

152 § 13. Severability. The provisions of this act or the application thereof to any person or circumstance
 153 which are held invalid shall not affect the validity of other provisions or applications of this act which can be
 154 given effect without the invalid provisions or applications.

155 **2. That an emergency exists and this act is in force from its passage.**