

## 1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact §§ 15.2-4901 and 15.2-4902 of the Code of Virginia, relating to industrial*  
 3 *development authorities; housing.*

4 [H 806]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That §§ 15.2-4901 and 15.2-4902 of the Code of Virginia are amended and reenacted as follows:**8 **§ 15.2-4901. Purpose of chapter.**

9 It is the intent of the legislature by the passage of this chapter to authorize the creation of industrial  
 10 development authorities by the localities in the Commonwealth so that such authorities may acquire, own,  
 11 lease, and dispose of properties and make loans to the end that such authorities may be able to promote  
 12 industry and develop trade by inducing manufacturing, industrial, governmental, nonprofit, and commercial  
 13 enterprises, and institutions of higher education to locate in or remain in the Commonwealth and further the  
 14 use of its agricultural products and natural resources, and to vest such authorities with all powers that may be  
 15 necessary to enable them to accomplish such purposes, which powers shall be exercised for the benefit of the  
 16 inhabitants of the Commonwealth, either through the increase of their commerce, or through the promotion of  
 17 their safety, health, welfare, convenience, or prosperity. Such authority shall not itself be authorized to  
 18 operate any such manufacturing, industrial, nonprofit, or commercial enterprise, or any facility of an  
 19 institution of higher education.

20 It is the further intent of the legislature and shall be the policy of the Commonwealth to grant to industrial  
 21 development authorities the powers contained herein with respect to pollution control facilities to the end that  
 22 such authorities may protect and promote the health of the inhabitants of the Commonwealth and the  
 23 conservation, protection, and improvement of its natural resources by exercising such powers for the control  
 24 or abatement of land, sewer, water, air, noise, and general environmental pollution derived from the operation  
 25 of any industrial or medical facility and to vest such authorities with all powers that may be necessary to  
 26 enable them to accomplish such purpose, which powers shall be exercised for the benefit of the inhabitants of  
 27 the Commonwealth, either through the increase of their commerce, or through the promotion of their safety,  
 28 health, welfare, convenience, or prosperity.

29 It is the further intent of the legislature and shall be the policy of the Commonwealth to grant to industrial  
 30 development authorities the powers contained herein with respect to medical facilities and facilities for the  
 31 residence or care of the aged to the end that such authorities may protect and promote the health and welfare  
 32 of the inhabitants of the Commonwealth by assisting in the acquisition, construction, equipping, expansion,  
 33 enlargement, and improvement of medical facilities and facilities for the residence or care of the aged in order  
 34 to provide modern and efficient medical services to the inhabitants of the Commonwealth and care of the  
 35 aged of the Commonwealth in accordance with their special needs and also by assisting in the refinancing of  
 36 medical facilities and facilities for the residence or care of the aged owned and operated by organizations  
 37 which are exempt from taxation pursuant to § 501(c)(3) of the Internal Revenue Code of 1954, as amended,  
 38 in order to reduce the costs to residents of the Commonwealth of utilizing such facilities and to vest such  
 39 authorities with all powers that may be necessary to enable them to accomplish such purposes, which powers  
 40 shall be exercised for the benefit of the inhabitants of the Commonwealth and for the promotion of their  
 41 health and welfare. It is not intended hereby that any such authority shall itself be authorized to operate any  
 42 such medical facility or facility for the residence or care of the aged.

43 It is the further intent of the legislature and shall be the policy of the Commonwealth to grant to industrial  
 44 development authorities the powers contained herein with respect to facilities for use by organizations (other  
 45 than institutions organized and operated exclusively for religious purposes) which are described in §  
 46 501(c)(3) of the Internal Revenue Code of 1954, as amended, and which are exempt from federal income  
 47 taxation pursuant to § 501(a) of the Internal Revenue Code of 1954, as amended, to the end that such  
 48 authorities may protect or promote the safety, health, welfare, convenience, and prosperity of the inhabitants  
 49 of the Commonwealth by assisting in the acquisition, construction, equipping, expansion, enlargement,  
 50 improvement, financing, and refinancing of such facilities of the aforesaid entities and organizations in order  
 51 to provide operations, recreational, activity centers, and other facilities for the use of the inhabitants of the  
 52 Commonwealth and to vest such authorities with all powers that may be necessary to enable them to  
 53 accomplish such purposes, which powers shall be exercised for the benefit of the inhabitants of the  
 54 Commonwealth and for the promotion of their safety, health, welfare, convenience, or prosperity. It is not  
 55 intended hereby that any such authority shall itself be authorized to operate any such facility.

56 It is the further intent of the legislature and shall be the policy of the Commonwealth to grant to industrial

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57 development authorities the powers contained herein with respect to facilities for accredited nonprofit private  
58 institutions of higher education in the Commonwealth whose primary purpose is to provide collegiate or  
59 graduate education and not to provide religious training or theological education to the end that such  
60 authorities may protect and promote the health and welfare of the inhabitants of the Commonwealth by  
61 assisting in the acquisition, construction, equipping, expansion, enlargement, and improvement of facilities of  
62 aforesaid institutions in order to provide improved educational facilities for the use of the inhabitants of the  
63 Commonwealth and to vest such authorities with all powers that may be necessary to enable them to  
64 accomplish such purposes, which powers shall be exercised for the benefit of the inhabitants of the  
65 Commonwealth and for the promotion of their health, welfare, convenience, or prosperity. It is not intended  
66 hereby that any such authority shall itself be authorized to operate any such educational facility.

67 It is the further intent of the legislature and shall be the policy of the Commonwealth to grant industrial  
68 development authorities the powers contained herein with respect to facilities for a locality, the  
69 Commonwealth and its agencies, and governmental and nonprofit organizations and to vest such authorities  
70 with all powers that may be necessary to enable them to accomplish such purposes, which powers shall be  
71 exercised for the benefit of the inhabitants of the Commonwealth and for the promotion of their health,  
72 welfare, convenience, or prosperity.

73 It is further the intent of the legislature and shall be the policy of the Commonwealth to grant to industrial  
74 development authorities the powers contained herein with respect to facilities for museums and historical  
75 education, demonstration, and interpretation, together with any and all buildings, structures, or other facilities  
76 necessary or desirable in connection with the foregoing, for use by nonprofit organizations in order to  
77 promote tourism and economic development in the Commonwealth, to promote the knowledge of and  
78 appreciation by the citizens of the Commonwealth of the historical and cultural development and heritage of  
79 the Commonwealth and the United States and to promote thereby their health, welfare, convenience, and  
80 prosperity. It is not intended hereby that any such authority shall itself be authorized to operate any such  
81 facility.

82 It is the further intent of the legislature and shall be the policy of the Commonwealth to grant to industrial  
83 development authorities the powers contained herein with respect to facilities devoted to the staging of equine  
84 events and activities (other than racing) for use by governmental or nonprofit, nonreligious organizations and  
85 operated by such governmental or nonprofit, nonreligious organizations in order to promote the equine  
86 industry and equine-related activities (other than racing) which are integral to the Commonwealth's economy  
87 and heritage and to promote thereby the safety, health, welfare, convenience, and prosperity of the inhabitants  
88 of the Commonwealth.

89 It is the further intent of the legislature and shall be the policy of the Commonwealth to grant to industrial  
90 development authorities the powers contained herein with respect to acquiring, developing, owning, and  
91 operating an industrial park and any utilities that are intended primarily to serve the park and to issue bonds  
92 for such purposes. The bonds may be secured by revenues generated by the industrial park or the utilities  
93 being financed or by any other funds of the authority.

94 It is the further intent of the legislature and shall be the policy of the Commonwealth to grant to industrial  
95 development authorities ~~created by one or more municipalities whose housing authorities have not been~~  
96 ~~activated as provided by §§ 36-4 and 36-4.1~~, in addition to the powers previously or hereafter granted in this  
97 chapter, the powers contained herein with respect to facilities used primarily for single or multi-family  
98 residences in order to promote safe and affordable housing in the Commonwealth and to benefit thereby the  
99 safety, health, welfare, and prosperity of the inhabitants of the Commonwealth. It is not intended hereby that  
100 any such authority shall itself be authorized to operate any such facility or exercise any powers of eminent  
101 domain set forth in § 36-27.

102 It is the further intent of the legislature and shall be the policy of the Commonwealth to grant to industrial  
103 development authorities, in addition to the powers previously or hereafter granted herein, the power to *issue*  
104 *bonds, make grants, or any combination thereof*, associated with the construction of affordable housing in  
105 order to promote safe and affordable housing in the Commonwealth and to benefit thereby the safety, health,  
106 welfare, and prosperity of the inhabitants of the Commonwealth.

107 It is the further intent of the legislature and shall be the policy of the Commonwealth to grant industrial  
108 development authorities the powers contained herein with respect to public school buildings and facilities to  
109 promote the safety, health, welfare, convenience, and prosperity of the school children of the Commonwealth  
110 by assisting in the acquisition, construction, equipping, expansion, enlargement, improvement, financing, and  
111 refinancing of such facilities of school boards in order to provide for the modernization of public school  
112 buildings or facilities pursuant to Article 3 (§ 22.1-141.1 et seq.) of Chapter 9 of Title 22.1.

113 It is the further intent of the legislature and shall be the policy of the Commonwealth to grant to industrial  
114 development authorities the powers contained herein with respect to facilitating and supporting landowner  
115 access to carbon markets through aggregation of landowners to reach a size that attracts the investment of  
116 private capital. Such aggregation provides landowners of various size tracts of land enhanced opportunities to  
117 access capital and benefits that support and enhance the agriculture and forest industries for the health,  
118 welfare, convenience and prosperity of the inhabitants of the Commonwealth.

119 In any instance in this chapter where an industrial development authority may issue bonds through its  
120 authority to finance, the authority may also refinance such bonds.

121 This chapter shall be liberally construed in conformity with these intentions.

122 **§ 15.2-4902. Definitions.**

123 Wherever used in this chapter, unless a different meaning clearly appears in the context:

124 "Authority" means any political subdivision, a body politic and corporate, created, organized and operated  
125 pursuant to the provisions of this chapter, or if the authority is abolished, the board, body, commission,  
126 department or officer succeeding to the principal functions thereof or to whom the powers given by this  
127 chapter are given by law.

128 "Authority facilities" or "facilities" means any or all (i) medical (including, but not limited to, office and  
129 treatment facilities), pollution control or industrial facilities; (ii) facilities for the residence or care of the  
130 aged; (iii) multi-state regional or national headquarters offices or operations centers; (iv) facilities for private,  
131 accredited and nonprofit institutions of collegiate, elementary, or secondary education in the Commonwealth  
132 whose primary purpose is to provide collegiate, elementary, secondary, or graduate education and not to  
133 provide religious training or theological education, such facilities being for use as academic or administration  
134 buildings or any other structure or application usual and customary to a college, elementary or secondary  
135 school campus other than chapels and their like; (v) parking facilities, including parking structures; (vi)  
136 facilities for use as office space by nonprofit, nonreligious organizations; (vii) facilities for museums and  
137 historical education, demonstration and interpretation, together with buildings, structures or other facilities  
138 necessary or desirable in connection with the foregoing, for use by nonprofit organizations; (viii) facilities for  
139 use by an organization (other than an organization organized and operated exclusively for religious purposes)  
140 which is described in § 501(c) (3) of the Internal Revenue Code of 1986, as amended, and which is exempt  
141 from federal income taxation pursuant to § 501 (a) of such Internal Revenue Code; (ix) facilities for use by a  
142 locality, the Commonwealth and its agencies, or other governmental organizations, provided that any such  
143 facilities owned by a locality, the Commonwealth or its agencies or other public bodies subject to the  
144 Virginia Public Procurement Act (§ 2.2-4300 et seq.) shall not be exempt from competitive procurement  
145 requirements, under the exception granted in subsection B of § 2.2-4344; (x) facilities devoted to the staging  
146 of equine events and activities (other than racing events); however, such facilities must be owned by a  
147 governmental or nonprofit, nonreligious organization and operated by any such governmental or nonprofit,  
148 nonreligious organization; (xi) facilities for commercial enterprises that are not enterprise zone facilities (as  
149 defined in § 1394 (b) of the Internal Revenue Code of 1986, as amended) now existing or hereafter acquired,  
150 constructed or installed by or for the authority pursuant to the terms of this chapter; however, facilities for  
151 commercial enterprise that are not enterprise zone facilities but which are taxable authority facilities shall  
152 constitute authority facilities only if the interest on any bonds issued to finance such facilities is not exempt  
153 from federal income taxation; (xii) enterprise zone facilities; and (xiii) facilities used primarily for single or  
154 multi-family residences. ~~Clause (xiii) applies only to industrial development authorities created by one or  
155 more localities whose housing authorities have not been activated as provided by §§ 36-4 and 36-4.1.~~ Any  
156 facility may be located within or outside or partly within or outside the locality creating the authority. Any  
157 facility may consist of or include any or all buildings, improvements, additions, extensions, replacements,  
158 machinery or equipment, and may also include appurtenances, lands, rights in land, water rights, franchises,  
159 furnishings, landscaping, utilities, approaches, roadways and other facilities necessary or desirable in  
160 connection therewith or incidental thereto, acquired, constructed, or installed by or on behalf of the authority.  
161 A pollution control facility shall include any facility acquired, constructed or installed or any expenditure  
162 made, including the reconstruction, modernization or modification of any existing building, improvement,  
163 addition, extension, replacement, machinery or equipment, and which is designed to further the control or  
164 abatement of land, sewer, water, air, noise or general environmental pollution derived from the operation of  
165 any industrial or medical facility. Any facility may be constructed on or installed in or upon lands, structures,  
166 rights-of-way, easements, air rights, franchises or other property rights or interests whether owned by the  
167 authority or others.

168 "Bonds" or "revenue bonds" embraces notes, bonds and other obligations authorized to be issued by the  
169 authority pursuant to the provisions of this chapter.

170 "Cost" means, as applied to authority facilities, the cost of construction; the cost of acquisition of all  
171 lands, structures, rights-of-way, franchises, easements and other property rights and interests; the cost of  
172 demolishing, removing or relocating any buildings or structures on lands acquired, including the cost of  
173 acquiring any lands to which such buildings or structures may be moved or relocated; the cost of all labor,  
174 materials, machinery and equipment; financing charges and interest on all bonds prior to and during  
175 construction and, if deemed advisable by the authority, for a period not exceeding one year after completion  
176 of such construction; cost of engineering, financial and legal services, plans, specifications, studies, surveys,  
177 estimates of cost and of revenues, and other expenses necessary or incident to determining the feasibility or  
178 practicability of constructing the authority facilities; administrative expenses, provisions for working capital,  
179 reserves for interest and for extensions, enlargements, additions and improvements; and such other expenses  
180 as may be necessary or incident to the construction of the authority facilities, the financing of such

181 construction and the placing of the authority facilities in operation. Any obligation or expense incurred by the  
182 Commonwealth or any agency thereof, with the approval of the authority, for studies, surveys, borings,  
183 preparation of plans and specifications or other work or materials in connection with the construction of the  
184 authority facilities may be regarded as a part of the cost of the authority facilities and may be reimbursed to  
185 the Commonwealth or any agency thereof out of the proceeds of the bonds issued for such authority facilities  
186 as hereinafter authorized.

187 "Enterprise" means any industry for manufacturing, processing, assembling, storing, warehousing,  
188 distributing, or selling any products of agriculture, mining, or industry and for research and development or  
189 scientific laboratories, including, but not limited to, the practice of medicine and all other activities related  
190 thereto or for such other businesses or activities as will be in the furtherance of the public purposes of this  
191 chapter.

192 "Loans" means any loans made by the authority in furtherance of the purposes of this chapter from the  
193 proceeds of the issuance and sale of the authority's bonds and from any of its revenues or other moneys  
194 available to it as provided herein.

195 "Revenues" means any or all fees, rates, rentals and receipts collected by, payable to or otherwise derived  
196 by the authority from, and all other moneys and income of whatsoever kind or character collected by, payable  
197 to or otherwise derived by the authority in connection with the ownership, leasing or sale of the authority  
198 facilities or in connection with any loans made by the authority under this chapter.

199 "Taxable authority facilities" means any private or commercial golf course, country club, massage parlor,  
200 tennis club, skating facility (including roller skating, skateboard and ice skating), racquet sports facility,  
201 suntan facility, race track, or facility the primary purpose of which is one of the following: (i) retail food and  
202 beverage services (excluding grocery stores), (ii) automobile sales and service, (iii) recreation or  
203 entertainment, or (iv) banks, savings and loan institutions or mortgage loan companies. The foregoing  
204 sentence notwithstanding, no facility financed as an enterprise zone facility using tax-exempt "enterprise zone  
205 facility bonds" (as such term is used in § 1394 of the Internal Revenue Code) shall constitute a taxable  
206 authority facility.

207 "Trust indenture" means any trust agreement or mortgage under which bonds authorized pursuant to this  
208 chapter may be secured.