

CHAPTER ~~6.2~~ 24.

## VIRGINIA COMMONWEALTH UNIVERSITY HEALTH SYSTEM AUTHORITY.

**Drafting note: Existing Chapter 6.2 of Title 23 is logically reorganized as proposed Chapter 24 of Title 23.1. Technical changes are made throughout the proposed chapter.**

~~§ 23-50.16:1. Short title.~~

~~This chapter shall be known and may be cited as the "Virginia Commonwealth University Health System Authority Act."~~

**Drafting note: Existing § 23-50.16:1 is recommended for repeal because of the Code-wide application of § 1-244, which states that the caption of a subtitle, chapter, or article serves as a short title citation.**

~~§ 23-50.16:2. Findings and declaration of necessity.~~

~~The General Assembly finds that:~~

~~1. Provision of health care, including indigent care, is an essential governmental function protecting and promoting the health and welfare of the citizens of the Commonwealth;~~

~~2. Education of medical and health sciences professionals and the performance of medical and related research are essential to promote such health care;~~

~~3. Teaching hospitals and related facilities of high quality are essential both to provide high levels of health care and to promote medical and health sciences education, because such hospitals and related facilities (i) provide facilities necessary to train physicians and other health sciences professionals, (ii) provide medical services not generally available at other hospitals, and (iii) treat patients of the type and on the scale necessary to facilitate medical research and to attract physicians, faculty members, researchers and other persons necessary to maintain quality medical and health sciences education;~~

~~4. The missions of the Medical College of Virginia Hospitals are to (i) serve as a general hospital and health care facility, (ii) facilitate and support the health education, research and public service activities of the Health Sciences Schools of the Medical College of Virginia, Health Sciences Division of Virginia Commonwealth University, (iii) provide high quality~~

~~patient care and other specialized health services not widely available in the Commonwealth, including the provision of medical care to indigent patients, (iv) serve as the principal teaching and training hospital for undergraduate and graduate students of the Schools of the Health Sciences Division of Virginia Commonwealth University, and (v) provide a site for faculty members of the Health Sciences Division of Virginia Commonwealth University to conduct medical and biomedical research, all of which missions constitute essential governmental functions for protecting and promoting the health and welfare of the citizens of the Commonwealth;~~

~~5. Such hospital, health care and related facilities require specialized management and operation to remain economically viable, to earn revenues necessary for their operation, and to engage in arrangements with public and private entities and other activities, taking into account changes that have occurred or may occur in the future in the provision of health care and related services; and~~

~~6. The needs of the citizens of the Commonwealth and the needs of the Health Sciences Division of Virginia Commonwealth University will best be served if the Medical College of Virginia Hospitals are transferred to and operated by an independent public authority charged with the missions of operating such Hospitals as teaching hospitals for the benefit of the Schools of the Health Sciences Division of Virginia Commonwealth University, providing high quality patient care, and providing a site for medical and biomedical research, all in close affiliation with the Health Sciences Division of Virginia Commonwealth University so that the public authority does not duplicate or compete with the undergraduate and graduate programs, research, training and teaching facilities offered at or operated by the University.~~

~~The exercise of the powers permitted by this chapter shall be deemed the performance of essential governmental functions and matters of public necessity for the entire Commonwealth in the provision of health care, medical and health sciences education and research, for which public moneys may be borrowed, loaned, spent or otherwise utilized and for which private property may be utilized or acquired.~~

**Drafting note: Subdivisions 1 through 6 of existing § 23-50.16:2, specifying the functions of the Medical College of Virginia Hospitals, are logically relocated to proposed § 23.1-2401. The final paragraph of existing § 23-50.16:2 is logically relocated as subsection B of proposed § 23.1-2404.**

~~§ 23-50.16:4~~ 23.1-2400. Definitions.

As used in this chapter, ~~the following terms have the following meanings~~, unless the context requires ~~otherwise~~ a different meaning:

"Authority" means the Virginia Commonwealth University Health System Authority.

"Board" means the ~~Board of Directors~~ board of directors of the Authority.

"Bonds" means bonds, notes, revenue certificates, lease participation certificates, or other evidences of indebtedness or deferred purchase financing arrangements.

"Chief executive officer" means the chief executive officer of the Virginia Commonwealth University Health System Authority.

"Costs" means (i) costs of (a) construction, reconstruction, renovation, site work, and acquisition of lands, structures, rights-of-way, franchises, easements, and other property rights and interests; (b) demolition, removal, or relocation of buildings or structures; (c) labor, materials, machinery, and all other kinds of equipment; (d) engineering and inspections; (e) financial, legal, and accounting services; (f) plans, specifications, studies, and surveys; (g) estimates of costs and of revenues; (h) feasibility studies and administrative expenses, including administrative expenses during the start-up of any project; and (i) issuance of bonds, including printing, engraving, advertising, legal, and other similar expenses; (ii) financing charges; (iii) administrative expenses, including administrative expenses during the start-up of any project; (iv) credit enhancement and liquidity facility fees; (v) fees for interest rate caps, collars, swaps, or other financial derivative products; (vi) interest on bonds in connection with a project prior to and during construction or acquisition thereof and for a period not exceeding one year thereafter; (vii) provisions for working capital to be used in connection with any project; (viii) redemption premiums, obligations purchased to

provide for the payment of bonds being refunded, and other costs necessary or incident to refunding of bonds; (ix) operating and maintenance reserve funds, debt reserve funds, and other reserves for the payment of principal and interest on bonds; ~~and (x)~~ all other expenses necessary, desirable, or incidental to the operation of the Authority's facilities or the construction, reconstruction, renovation, acquisition, or financing of projects ~~or~~ other facilities, or equipment appropriate for carrying out the purposes of this chapter and the placing of the same in operation; or (xi) the refunding of bonds.

~~"Chief executive officer" means the chief executive officer of the Virginia Commonwealth University Health System Authority.~~

"Hospital facilities" means all property or rights in property, real and personal, tangible and intangible, including all facilities suitable for providing hospital and health care services and ~~including any and~~ all structures, buildings, improvements, additions, extensions, replacements, appurtenances, lands, rights in land, furnishings, landscaping, approaches, roadways, and other related and supporting facilities, ~~now or hereafter~~ owned, leased, operated, or used, in whole or in part, by Virginia Commonwealth University as part of, or in connection with, ~~the Medical College of Virginia MCV~~ Hospitals in the normal course of its operations as a teaching, research, and medical treatment facility.

"Hospital obligations" means all debts or other obligations, contingent or certain, owing to any person or other entity on the transfer date, arising out of the operation of ~~the Medical College of Virginia MCV~~ Hospitals as a medical treatment facility or ~~arising out of~~ the financing or refinancing of hospital facilities; and including all bonds and other debts for the purchase of goods and services, whether or not delivered, and obligations for the delivery of services, whether or not performed.

"Project" means any health care, research, or educational facility or equipment necessary or convenient to or consistent with the purposes of the Authority, whether ~~or not~~ owned by the Authority, including, ~~without limitation~~, hospitals; nursing homes; continuing care facilities; self-care facilities; wellness and health maintenance centers; medical office facilities; clinics;

~~out-patient~~ outpatient clinics; surgical centers; alcohol, substance abuse, and drug treatment centers; laboratories; sanitariums; hospices; facilities for the residence or care of the elderly, the handicapped, or the chronically ill; residential facilities for nurses, interns, and physicians; other kinds of facilities for the treatment of sick, disturbed, or infirm ~~persons or~~ individuals, the prevention of disease, or maintenance of health; colleges, schools, or divisions offering undergraduate or graduate programs for the health professions and sciences and such other branches of learning as may be appropriate, together with research, training, and teaching facilities; all necessary or desirable related and supporting facilities and equipment ~~necessary or desirable in connection therewith or incidental thereto~~; or equipment alone, including, ~~without limitation~~, (i) parking, kitchen, laundry, laboratory, wellness, pharmaceutical, administrative, communications, computer, and recreational facilities; (ii) power plants and equipment; (iii) storage space; (iv) mobile medical facilities; (v) vehicles; (vi) air transport equipment; and (vii) other equipment necessary or desirable for the transportation of medical equipment, medical personnel, or patients; and all lands, buildings, improvements, approaches, and appurtenances necessary or desirable in connection with or incidental to any project.

"Transfer date" means a date or dates agreed to by the ~~Board of Visitors~~ board of visitors of Virginia Commonwealth University and the Authority for the transfer of employees to the Authority and for the transfer of hospital facilities, or any parts thereof, to and the assumption, directly or indirectly, of hospital obligations by the Authority, which dates for the various transfers and the various assumptions may be different, but in no event shall any date be later than June 30, 1997.

"University" means Virginia Commonwealth University.

**Drafting note: Technical changes are made, including moving "chief executive officer" into alphabetical order and removing "without limitation" twice in the definition of "project" when used in conjunction with "including" on the basis of the Code-wide application of § 1-218, which states, "'Includes' means includes, but not limited to."**

§ ~~23-50.16:3~~ 23.1-2401. Authority ~~created~~ established; powers, purposes, and duties.

5094 A. ~~There~~ The Virginia Commonwealth University Health System Authority is ~~hereby~~  
5095 ~~created~~ established as a public body corporate, public instrumentality, and ~~as a~~ political  
5096 subdivision of the Commonwealth, ~~the Virginia Commonwealth University Health System~~  
5097 ~~Authority, referred to in this chapter as the Authority~~, with such public and corporate powers as  
5098 are set forth in this chapter.

5099 B. The purpose of the Authority is ~~hereby constituted a public instrumentality,~~  
5100 ~~exercising to exercise~~ public and essential governmental functions ~~with the power and purpose~~  
5101 to provide for the health, welfare, convenience, knowledge, benefit, and prosperity of the  
5102 residents of the Commonwealth and such other ~~persons~~ individuals who might be served by the  
5103 Authority by delivering and supporting the delivery of medical care and related services to such  
5104 residents and ~~persons~~ individuals, ~~by~~ providing educational opportunities in the medical field  
5105 and related disciplines, ~~by~~ conducting and facilitating research in the medical field and related  
5106 disciplines, and ~~by~~ enhancing the delivery of health care and related services to the  
5107 Commonwealth's indigent population. The Authority may perform such public and essential  
5108 government functions with the power and purpose to:

5109 1. Provide health care, including indigent care, to protect and promote the health and  
5110 welfare of the citizens of the Commonwealth;

5111 2. Serve as a high quality teaching hospital to provide and promote health care by  
5112 educating medical and health sciences professionals, providing medical services not widely  
5113 available in the Commonwealth, and treating patients of the type and on the scale necessary to  
5114 facilitate medical research and attract physicians, faculty members, researchers, and other  
5115 individuals necessary to maintain quality medical and health sciences education;

5116 3. Facilitate and support the health education, research, and public service activities of  
5117 the Health Sciences Schools of the University;

5118 4. Serve as the principal teaching and training hospital for undergraduate and graduate  
5119 students of the Health Sciences Schools of the University;

5120 5. Provide a site for faculty members of the Health Sciences Schools of the University to  
5121 conduct medical and biomedical research; and

5122 6. Operate and manage general hospital and other health care facilities, engaging in  
5123 specialized management and operational practices to remain economically viable, earning  
5124 revenues necessary for operations, and participating in arrangements with public and private  
5125 entities and other activities, taking into account changes that have occurred or may occur in the  
5126 future in the provision of health care and related services.

5127 B.C. The Authority is authorized to provide, promote, support and sponsor education,  
5128 public knowledge and scientific research in medicine, public health and related fields; to  
5129 administer programs to assist in the delivery of medical and related services to the citizens of  
5130 the Commonwealth and others; and to participate in and administer federal, state and local  
5131 programs affecting, supporting or carrying out any of its purposes. The Authority is further  
5132 authorized to exercise independently the powers conferred by this chapter in furtherance of its  
5133 corporate and public purposes, and the Authority is directed to undertake the operation of shall  
5134 operate, maintain, and expand, as appropriate, teaching hospitals and related facilities and to  
5135 maintain and, as appropriate, to expand the same, all for the benefit of the Commonwealth; and  
5136 its citizens and such other persons individuals who might be served by the Authority.

5137 **Drafting note: Portions of subsection B are relocated to proposed § 23.1-2404.**  
5138 **Subdivisions 1 through 6 of existing § 23-50.16:2 are incorporated into proposed**  
5139 **subdivisions B 1 through 6 of this section. Technical changes are made.**

5140 § 23-50.16:5 23.1-2402. Board of Directors directors; appointment membership;  
5141 meetings; officers; employees.

5142 A. The Authority shall be governed by a Board of Directors consisting board of directors  
5143 with a total of 21 members as follows: that consists of 19 appointed members and two ex officio  
5144 members. The 19 appointed members shall consist of six nonlegislative citizen members to be  
5145 appointed by the Governor, including of whom two shall be physician-faculty members, to be  
5146 appointed by the Governor; five members to be appointed by the Speaker of the House of

~~Delegates, including of whom~~ two shall be physician-faculty members, ~~to be appointed by the Speaker of the House of Delegates;~~ three members to be appointed by the Senate Committee on Rules, including of whom one shall be a physician-faculty member, ~~to be appointed by the Senate Committee on Rules;~~ and five nonlegislative citizen members of the ~~Board of Visitors board of visitors~~ of ~~Virginia Commonwealth the~~ University; to be appointed by the ~~Rector~~ rector of the University, all of whom shall ~~also~~ be members of the ~~Board of Visitors~~ board of visitors of the University at all times while serving on the ~~Board; the~~ board. The President of the University and the Vice-President for Health Sciences of the University, or the ~~person individual~~ who holds such other title as subsequently may be established by the ~~Board of Visitors board of visitors~~ of the University for the chief academic and administrative officer for the Health Sciences ~~Campus Schools~~ of the University, ~~both of whom~~ shall serve ~~as~~ ex officio with voting members during their respective terms of office privileges.

All appointed members except those who are members of the board of visitors of the University shall have demonstrated experience or expertise in business, health care management, or legal affairs.

B. The five appointed physician-faculty members shall be faculty members of ~~Virginia Commonwealth the~~ University with hospital privileges at ~~Medical College of Virginia MCV~~ Hospitals at all times while serving on the ~~Board~~ board.

~~After the initial staggering of terms, all appointments shall be for terms of three years each, except appointments to fill unexpired vacancies which shall be made for the remainder of the unexpired terms.~~

C. The Governor, the Speaker of the House of Delegates, and the Senate Committee on Rules shall appoint ~~faculty physicians~~ physician-faculty members after consideration of ~~the~~ names from lists submitted by the faculty physicians of the School of Medicine of ~~Virginia Commonwealth the~~ University through the Vice-President for Health Sciences of the University. The list shall contain ~~not less than at least~~ two names for each ~~expired or unexpired~~ vacancy ~~that occurs~~.



~~No person shall be eligible to serve more than two consecutive full three year terms as an appointed member, but after the expiration of a term of two years or less, or after the expiration of the remainder of a term to which appointed to fill a vacancy, or after one year following the expiration of a second full three year term, two additional three year terms may be served by a member if so appointed. The terms of members serving by virtue of their office shall expire upon termination of their holding such office. All members shall continue to hold office until their successors have been appointed and have qualified.~~

~~All appointed members, other than those who are members of the Board of Visitors, shall have demonstrated experience or expertise in business, health care management or legal affairs. Immediately after their appointments, members shall enter upon the performance of their duties.~~

D. Members shall serve for terms of three years. Vacancies occurring other than by expiration of a term shall be filled for the unexpired term. No member shall serve for more than two consecutive three-year terms; however, a member appointed to serve an unexpired term shall be eligible to serve two consecutive three-year terms. Members who serve two consecutive three-year terms shall be eligible for reappointment one year after the expiration of their second term. All appointments shall be subject to confirmation by the General Assembly. Members shall continue to hold office until their successors have been appointed and confirmed. Ex officio members shall serve a term coincident with their term of office.

~~The Board~~ E. Neither the board members appointed from the ~~Board of Visitors and board of visitors of the University nor~~ the ex officio members shall ~~not~~ vote on matters that ~~shall~~ require them to breach their fiduciary duties to the University or to the Authority.

~~B. All appointments, including the initial appointments to the Board and appointments to fill vacancies, are subject to confirmation by the affirmative vote of a majority of those voting in each house of the General Assembly if in session when such appointments are made and, if not in session, at its first regular session subsequent to such appointment. Any member whose nomination is subject to confirmation during a regular session of the General Assembly shall be~~

~~deemed terminated when the General Assembly rejects the nomination or when it adjourns without confirming the nomination, whichever is earlier. No such termination shall affect the validity of any action taken by such member prior to such termination.~~

~~C. A Board~~ F. Any member may be removed for malfeasance, misfeasance, incompetence, or gross neglect of duty by the individual or entity that appointed him or, if such appointing individual no longer holds the office creating the right of appointment, by the current holder of that office.

~~D. G.~~ The President of the University shall serve as the chairman of the ~~Board of Directors~~ board. The ~~Board of Directors of the Authority~~ board shall elect annually a vice-chairman from among its membership. The ~~Board~~ board shall also elect a secretary and treasurer and such assistant secretaries and assistant treasurers as the ~~Board~~ board may authorize for terms determined by the ~~Board~~ board, each of whom may or may not be a member of the ~~Board~~ board. The same ~~person~~ individual may serve as both secretary and treasurer.

H. The ~~Board~~ board may ~~also~~ appoint an executive committee and other standing or special committees and prescribe their duties and powers, and any executive committee may exercise all such powers and duties of the ~~Board~~ board under this chapter as the ~~Board~~ board may delegate.

~~E. I.~~ The ~~Board~~ board may provide for the appointment, employment, term, compensation, and removal of ~~a director,~~ officers, employees, and agents of the Authority, including engineers, consultants, lawyers, and accountants, as the ~~Board~~ board deems appropriate.

F. J. The ~~Board~~ board shall meet at least four times each year and may hold such special meetings as it deems appropriate.

K. The ~~Board~~ board may adopt, amend, and repeal such ~~rules policies,~~ regulations, procedures, and bylaws, not contrary to law or inconsistent with this chapter, as it deems expedient for its own governance and for the governance and management of the Authority.

5227 L. A majority of the ~~Board~~ board shall constitute a quorum for meetings, and the ~~Board~~  
5228 board may act by a majority of those present at any meeting.

5229 G.M. Legislative board members shall be entitled to such compensation as provided §  
5230 30-19.12 and nonlegislative citizen board members shall be entitled to such compensation for  
5231 the performance of their duties as provided in § 2.2-2813 ~~for their services~~. All members shall  
5232 be entitled to reimbursement for all reasonable and necessary expenses incurred in the  
5233 performance of their duties as provided in §§ 2.2-2813 and 2.2-2825. Funding for the costs of  
5234 compensation and expenses of the members shall be provided by the Authority.

5235 H.N. The provisions of the State and Local Government Conflict of Interests Act (§ 2.2-  
5236 3100 et seq.) shall apply to the members of the ~~Board~~ board and the employees of the Authority.

5237 **Drafting note: Technical changes are made, including referring to "policies"**  
5238 **instead of "rules" per board practice.**

5239 § ~~23-50.16:7~~ 23.1-2403. ~~Appointment, salary and powers of the~~ Chief ~~Executive Officer~~  
5240 executive officer of the Authority.

5241 A. The Authority shall be under the immediate supervision and direction of a ~~Chief~~  
5242 ~~Executive Officer~~ chief executive officer, subject to the policies and direction established by the  
5243 ~~Board~~ board. The ~~Chief Executive Officer~~ chief executive officer shall be the ~~person~~ individual  
5244 who holds the title of Vice-President for Health Sciences of Virginia Commonwealth  
5245 University, or such other title as subsequently may be established by the ~~Board of Visitors~~ board  
5246 of visitors of the University for the chief academic and administrative officer for the Health  
5247 Sciences ~~Campus Schools~~ of the University, ~~subject to the following: notwithstanding.~~  
5248 Notwithstanding any other provision of law to the contrary, the selection and removal of the  
5249 ~~Chief Executive Officer~~ chief executive officer, as well as the conditions of appointment,  
5250 including salary, shall be made jointly by the ~~Board~~ board and the ~~Board of Visitors~~ board of  
5251 visitors of the University at a joint meeting of the ~~Board~~ board and the ~~Board of Visitors~~ board  
5252 of visitors of the University upon a vote of a majority of the members of each board, present and

5253 voting at the aforementioned joint meeting, acting separately in accordance with applicable  
5254 provisions of law.

5255 B. In the event that a majority of the members of each board do not agree upon the  
5256 selection, removal, or conditions of appointment, including salary, of the ~~Chief Executive~~  
5257 ~~Officer~~ chief executive officer as provided in subsection A, then each board shall appoint a  
5258 committee of three members of its respective board to consider the matter ~~or matters~~ upon  
5259 which the boards disagree. The selection, removal, or conditions of appointment shall be made  
5260 jointly by the two committees at a joint meeting of the committees upon a vote by a majority of  
5261 the members of each committee present and voting at the joint meeting. In the event that a  
5262 majority of the members of each committee agree upon the selection, removal, or conditions of  
5263 appointment of the ~~Chief Executive Officer~~ chief executive officer, then the decision shall be  
5264 reported to the ~~Board~~ board and the ~~Board of Visitors~~ board of visitors of the University, each of  
5265 which shall be bound by the decision of the committees. In the event that a majority of the  
5266 members of each committee do not agree on the selection, removal, or conditions of  
5267 appointment of the ~~Chief Executive Officer~~ chief executive officer within 30 days of the  
5268 appointment of the committees by each board, then the ~~President~~ president of the University  
5269 shall decide upon the matter ~~or matters~~ upon which the committees disagree. The ~~President~~  
5270 president of the University shall report his decision to both boards, each of which shall be bound  
5271 by the decision of the ~~President~~ president.

5272 C. The ~~Chief Executive Officer~~ chief executive officer shall devote his full time to the  
5273 performance of his official duties and shall not be engaged in any other profession or  
5274 occupation.

5275 D. The ~~Chief Executive Officer~~ chief executive officer shall supervise and administer the  
5276 operation of the Authority in accordance with the provisions of this chapter.

5277 **Drafting note: Technical changes.**

5278 § ~~23-50.16:6~~ 23.1-2404. Powers ~~generally of the Authority~~.

5279           A. The Authority ~~shall have~~ has all the powers necessary or convenient to carry out the  
5280 purposes and provisions of this chapter, including, ~~without limitation,~~ the following powers:

5281           1. ~~To sue~~ Sue and be sued in its own name;

5282           2. ~~To have~~ Have and alter an official seal;

5283           3. ~~To have~~ Have perpetual duration and succession in its name;

5284           4. ~~To locate~~ Locate and maintain offices at such places as it may designate;

5285           5. ~~To make~~ Make and execute contracts, guarantees, or any other instruments and  
5286 agreements necessary or convenient for the exercise of its powers and functions, including,  
5287 ~~without limitation, to make and execute~~ contracts with hospitals or ~~health care~~ health care  
5288 businesses to operate and manage any or all of the hospital facilities or operations, and ~~to~~ incur  
5289 liabilities and secure the obligations of any entity or individual;

5290           6. ~~To conduct~~ Conduct or engage in any lawful business, activity, effort, or project  
5291 consistent with the Authority's purposes or necessary or convenient to exercise its powers;

5292           7. ~~To exercise~~ Exercise, in addition to its other powers, all powers that are (i) granted to  
5293 corporations by the provisions of Title 13.1 or similar provisions of any successor law, except in  
5294 those cases ~~where, by the express terms of the provisions thereof, in which~~ the power is  
5295 confined to corporations created under such title, and ~~that are (ii)~~ not inconsistent with the  
5296 purposes and intent of this chapter or the limitations included in this chapter;

5297           8. ~~To accept~~ Accept, hold, and enjoy any gift, devise, or bequest to the Authority or its  
5298 predecessors, ~~the same~~ to be held for the uses and purposes designated by the donor, if any, or if  
5299 not so designated, for the general purposes of the Authority, whether given directly or  
5300 indirectly; and ~~to~~ accept, execute, and administer any trust or endowment fund in which it has  
5301 or may have an interest under the terms of the instrument creating the trust or endowment fund;

5302           9. ~~To borrow~~ Borrow money and issue bonds as provided in this chapter and ~~to~~ purchase  
5303 such bonds;

5304           10. ~~To seek~~ Seek financing from, incur or assume indebtedness to, and enter into  
5305 contractual commitments with, the Virginia Public Building Authority and the Virginia College

5306 Building Authority, which authorities are authorized to borrow money and make and issue  
5307 negotiable notes, bonds, and other evidences of indebtedness to provide such financing relating  
5308 to the hospital facilities or any project;

5309 11. ~~To seek~~ Seek financing from, incur or assume indebtedness to, and enter into  
5310 contractual commitments with the Commonwealth ~~of Virginia~~ as otherwise provided by law  
5311 relating to the hospital facilities or any project;

5312 12. ~~To procure~~ Procure such insurance, participate in such insurance plans ~~and/or, or~~  
5313 provide such self-insurance as it deems necessary or convenient to carry out the purposes and  
5314 provisions of this chapter. The purchase of insurance, participation in an insurance plan, or  
5315 creation of a self-insurance plan by the Authority ~~shall is~~ not ~~be deemed~~ a waiver or  
5316 relinquishment of any sovereign immunity to which the Authority or its officers, directors,  
5317 employees, or agents are otherwise entitled;

5318 13. ~~To develop policies and procedures consistent with Article 4 (§ 2.2-4347 et seq.) of~~  
5319 ~~Chapter 43 of Title 2.2.~~

5320 14. ~~To develop~~ Develop policies and procedures generally applicable to the procurement  
5321 of goods, services, and construction, based upon competitive principles;

5322 ~~§ 23-50.16:11. Acquisition and disposition of property; acceptance of grants and loans.~~

5323 ~~A. 14.~~ Except as to those hospital facilities or any ~~parts thereof~~ part of such facilities that  
5324 are leased to the Authority by the University, the control and disposition of which shall be  
5325 determined by such lease instruments, ~~the Authority may:~~

5326 1. ~~a.~~ Own, hold, improve, use, and otherwise deal with real or personal property, tangible  
5327 or intangible, or any right, easement, estate, or interest ~~therein in such property~~, acquired by  
5328 purchase, exchange, gift, assignment, transfer, foreclosure, lease, bequest, devise, operation of  
5329 law, or other means on such terms and conditions and in such manner as it may deem proper;

5330 2. ~~b.~~ Sell, assign, lease, encumber, mortgage, or otherwise dispose of any project ~~or~~, any  
5331 other real or personal property, tangible or intangible, ~~or~~ any right, easement, estate, or interest

therein in such property, or any deed of trust or mortgage lien interest ~~owned by that~~ it owns,  
that is under its control or custody or in its possession. ~~The Authority may release~~

c. Release or relinquish any right, title, claim, lien, interest, easement, or demand  
however acquired, including any equity or right of redemption in property foreclosed by it; and  
~~3. Do d. Take any of the foregoing action pursuant to subdivision 14~~ by public or private  
sale; or with or without public bidding, notwithstanding the provisions of any other law;

~~B. The Authority may accept~~ 15. Accept loans, grants, contributions, or other assistance  
from the federal government, the Commonwealth ~~or~~, any political subdivision ~~thereof of the~~  
Commonwealth, or ~~from~~ any other public or private source to carry out any of the purposes of  
this chapter. ~~The Authority may and~~ enter into any agreement or contract regarding ~~or relating~~  
~~to~~ the acceptance, use, or repayment of any such loan, grant, contribution, or assistance ~~and may~~  
~~enter into such other agreements with any such entity~~ in furtherance of the purposes of this  
chapter;

~~Counties, cities and towns are hereby authorized to lend or donate money or other~~  
~~property to the Authority for any of its purposes. The local government making the grant or loan~~  
~~may restrict the use of such grants or loans to a specific project, within or without that locality.~~

~~§ 23-50.16:12. Eminent domain.~~

~~The Authority may exercise~~ 16. Exercise the power of eminent domain pursuant to the  
provisions of Chapter 2 (§ 25.1-200 et seq.) of Title 25.1 to acquire by condemnation any real  
property, including fixtures and improvements, ~~which that~~ it may deem necessary to carry out  
the purposes of this chapter, upon (i) its adoption of a resolution declaring that the acquisition of  
such property is in the public interest and necessary for public use and ~~upon (ii)~~ the approval of  
the Governor. The Authority may acquire property already devoted to a public use, provided  
that no property belonging to any ~~city, town or county, government or to any~~ locality, religious  
corporation, unincorporated church, or charitable corporation may be acquired without its  
consent;

~~§ 23-50.16:13. Fees, rentals and other charges.~~

~~The Authority may fix~~ 17. Fix, revise ~~from time to time~~, charge, and collect rates, rentals, fees, and other charges for the services or facilities furnished by or on behalf of the Authority, and establish policies, procedures, and regulations regarding any such service rendered or the use, occupancy or operation of any such facility. Such charges and policies, procedures, and regulations ~~shall are~~ not ~~be~~ subject to supervision or regulation by any commission, board, bureau, or agency of the Commonwealth except as otherwise provided by law for the providers of health care.;

~~§ 23-50.16:14. Creation of entities; participation in joint ventures; provision of assistance by Authority; moneys; investments.~~

A. 18. Consistent with ~~§ 23-50.16:15~~ 23.1-2407, ~~the Authority may~~ create, ~~or~~ assist in the creation of; ~~may~~, own in whole or in part ~~or otherwise~~, control; ~~may~~, participate in or with any ~~entities~~, public or private; ~~and may entity~~, purchase, receive, subscribe for, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise acquire or dispose of any (i) shares or obligations of, or other interests in, any entities organized for any purpose within or ~~without~~ outside the Commonwealth; and (ii) obligations of any person or corporation.;

~~B. The Authority may participate~~ 19. Participate in joint ventures with individuals, corporations, governmental bodies or agencies, partnerships, associations, insurers, or other entities to facilitate any activities or programs consistent with the public purposes and intent of this chapter.;

~~C. The Authority may create~~ 20. Create a nonprofit entity ~~or entities~~ for the purpose of soliciting, accepting, and administering grants, outright gifts and bequests, endowment gifts and bequests, and gifts and bequests in trust, ~~which entity or entities shall not engage in trust business; however, the Authority. Such entity~~ shall not ~~be empowered to create a nonprofit entity or entities that would in any way engage in trust business or~~ duplicate such activities by the University or its related foundations.

~~D. In carrying out any activities authorized by this chapter, the Authority may provide~~ 21. Provide appropriate assistance, including making loans and providing time of employees, to



corporations, partnerships, associations, joint ventures, or other entities, whether ~~or not~~ such corporations, partnerships, associations, joint ventures or other entities are owned or controlled in whole or in part, or directly or indirectly, by the Authority.

~~E. Effective July 1, 1997, all moneys of the Authority, from whatever source derived, shall be paid to the treasurer of the Authority. Such moneys shall be deposited in the first instance by the treasurer in one or more banks or trust companies, in one or more special accounts. All banks and trust companies are authorized to give security for such deposits, if required by the Authority. The moneys in such accounts shall be paid out on the warrant or other orders of the treasurer of the Authority or such other person or persons as the Authority may authorize to execute such warrants or orders.~~

~~F. Notwithstanding any provision of law to the contrary, the Authority may, effective July 1, 1997, invest its operating funds in any obligations or securities that are considered legal investments for public funds in accordance with Chapter 45 (§ 2.2-4500 et seq.) of Title 2.2. The Board shall adopt written investment guidelines and shall retain an independent investment advisory firm or consultant to review, a minimum of every five years, the suitability of the Authority's investments and their consistency with the investment guidelines.~~

22. Provide, promote, support and sponsor education, public knowledge, and scientific research in medicine, public health, and related fields.

23. Administer programs to assist in the delivery of medical and related services to the citizens of the Commonwealth and others;

24. Participate in and administer federal, state, and local programs affecting, supporting, or carrying out any of its purposes; and

25. Exercise independently the powers conferred by this chapter in furtherance of its corporate and public purposes.

B. The exercise of the powers permitted by this chapter shall be deemed the performance of essential governmental functions and matters of public necessity for the entire Commonwealth in the provision of health care, medical and health sciences education, and

[research for which public moneys may be borrowed, loaned, spent, or otherwise utilized and private property may be utilized or acquired.](#)

**Drafting note: Subdivisions A 14 and 15 are derived from subsections A and B of existing § 23-50.16:11 (the second paragraph of subsection B of existing § 23-50.16:11 is relocated to proposed § 23.1-2409), subdivision A 16 is derived from existing § 23-50.16:12, subdivision A 17 is derived from existing § 23-50.16:13, subdivisions A 18 through 21 are derived from subsections A through D of existing § 23-50.16:14 (subsections E and F are relocated to proposed § 23.1-2408), subdivisions A 22 through 25 are derived from subsection B of existing § 23-50.16:3, and subsection B is derived from the second paragraph of existing § 23-50.16:2. Subdivision 13 of existing § 23-50.16:6 is removed as inconsistent with the exemption from the Virginia Public Procurement Act contained in existing § 23-50.16:34. Technical changes are made, including removing "without limitation" when used in conjunction with "including" in subdivision A 5 on the basis of the Code-wide application of § 1-218, which states, "'Includes' means includes, but not limited to."**

~~§ 23-50.16:9~~ [23.1-2405. -Operation](#) [Additional powers of the Authority; operation](#) of projects.

A. The Authority may acquire, plan, design, construct, own, rent as landlord or tenant, operate, control, remove, renovate, enlarge, equip, and maintain, directly or through stock or nonstock corporations or other entities, any project as defined in this chapter. Such projects may be owned or operated by the Authority or other parties; or jointly by the Authority and other parties; and may be operated within or ~~without~~ [outside](#) the Commonwealth, so long as [\(i\)](#) their operations are necessary or desirable to assist the Authority in carrying out its public purposes within the Commonwealth; and ~~so long as~~ [\(ii\)](#) any private benefit resulting to any such other private parties from any such project is merely incidental to the public benefit of ~~such~~ [the](#) project.

B. In the operation of hospitals and other ~~health care~~ health care and related facilities, the Authority may make and enforce all ~~rules~~ policies, procedures, and regulations necessary or desirable for such operation, including those relating to the conditions under which the privilege of practicing may be available ~~therein in such facilities,~~ the admission and treatment of patients, the procedures for determining the qualification of patients for indigent care or other programs, and the protection of patients and employees, provided that such ~~rules~~ policies, procedures, and regulations ~~shall do~~ not discriminate on the basis of race, religion, color, sex, or national origin.

**Drafting note: Technical changes are made, including referring to "policies" instead of "rules" per board practice.**

§ ~~23-50.16-10~~ 23.1-2406. ~~Police power~~ Additional powers of the Authority; police.

A. The Authority ~~is empowered to~~ may adopt and enforce reasonable ~~rules~~ policies, procedures, and regulations governing (i) access to, conduct in or on, and use of its property and facilities and the surrounding streets, sidewalks, and other public areas; and ~~governing~~ (ii) other matters affecting the safety and security of Authority property and ~~of those individuals~~ using or occupying Authority property. Such ~~rules~~ policies, procedures, and regulations ~~shall~~ have the force and effect of law ~~(i) (a)~~ after publication one time in full in a newspaper of general circulation in the ~~city or county~~ locality where the affected property is located and ~~(ii) (b)~~ when posted where the ~~public~~ individuals using such property may conveniently see them.

B. The campus police department of ~~Virginia Commonwealth~~ the University, established in accordance with the provisions of ~~Chapter 17 Article 3~~ (§ 23-232 23.1-809 et seq.) of ~~this title~~ Chapter 8, may enforce on Authority property the laws of the Commonwealth and ~~rules~~ policies and regulations adopted pursuant to subsection A ~~of this section.~~ To the extent that such police services are not provided by the University, the Authority ~~is authorized to~~ may establish a police department in accordance with the provisions of Chapter ~~17 of this title~~ 8, except that the employment of such personnel by the Authority shall not be subject to the Virginia Personnel Act (§ 2.2-2900 et seq.).

5465           **Drafting note: Technical changes are made, including referring to "policies"**  
5466 **instead of "rules" per board practice.**

5467           § ~~23-50.16:15~~ 23.1-2407. Public purpose.

5468           The exercise of the powers granted by this chapter ~~shall be~~ is in all respects for the  
5469 benefit of the inhabitants of the Commonwealth and ~~for~~ the promotion of their safety, health,  
5470 welfare, knowledge, convenience, and prosperity. No part of the assets or net earnings of the  
5471 Authority shall inure to the benefit of, or be distributable to, any private individual, except that  
5472 reasonable compensation may be paid for services rendered to or for the Authority affecting one  
5473 or more of its purposes, and benefits may be conferred that are in conformity with ~~said~~ its  
5474 purposes, ~~and no~~. No private individual ~~shall be~~ is entitled to share in the distribution of any of  
5475 the corporate assets ~~on~~ upon dissolution of the Authority.

5476           **Drafting note: Technical changes.**

5477           § ~~23-50.16:14~~ 23.1-2408. ~~Creation of entities; participation in joint ventures; provision~~  
5478 ~~of assistance by Authority; moneys; investments~~ Moneys of the Authority.

5479           ~~A. Consistent with § 23-50.16:15, the Authority may create or assist in the creation of;~~  
5480 ~~may own in whole or in part or otherwise control; may participate in or with any entities, public~~  
5481 ~~or private; and may purchase, receive, subscribe for, own, hold, vote, use, employ, sell,~~  
5482 ~~mortgage, lend, pledge, or otherwise acquire or dispose of any (i) shares or obligations of, or~~  
5483 ~~other interests in, any entities organized for any purpose within or without the Commonwealth,~~  
5484 ~~and (ii) obligations of any person or corporation.~~

5485           ~~B. The Authority may participate in joint ventures with individuals, corporations,~~  
5486 ~~governmental bodies or agencies, partnerships, associations, insurers or other entities to~~  
5487 ~~facilitate any activities or programs consistent with the public purposes and intent of this~~  
5488 ~~chapter.~~

5489           ~~C. The Authority may create a nonprofit entity or entities for the purpose of soliciting,~~  
5490 ~~accepting and administering grants, outright gifts and bequests, endowment gifts and bequests,~~  
5491 ~~and gifts and bequests in trust, which entity or entities shall not engage in trust business;~~

5492 ~~however, the Authority shall not be empowered to create a nonprofit entity or entities that would~~  
5493 ~~in any way duplicate such activities by the University or its related foundations.~~

5494 ~~D. In carrying out any activities authorized by this chapter, the Authority may provide~~  
5495 ~~appropriate assistance, including making loans and providing time of employees, to~~  
5496 ~~corporations, partnerships, associations, joint ventures or other entities, whether or not such~~  
5497 ~~corporations, partnerships, associations, joint ventures or other entities are owned or controlled~~  
5498 ~~in whole or in part, directly or indirectly, by the Authority.~~

5499 ~~E. Effective July 1, 1997, all~~ A. All moneys of the Authority; derived from ~~whatever any~~  
5500 ~~source derived~~, shall be paid to the treasurer of the Authority. Such moneys shall be deposited in  
5501 the first instance by the treasurer in one or more banks or trust companies, in one or more  
5502 special accounts. All banks and trust companies are authorized to give security for such  
5503 deposits, if required by the Authority. The moneys in such accounts shall be paid out on the  
5504 warrant or other orders of the treasurer of the Authority or such other person ~~or persons~~ as the  
5505 Authority may authorize to execute such warrants or orders.

5506 ~~F. B.~~ Notwithstanding any provision of law to the contrary, the Authority may, effective  
5507 July 1, 1997, invest its operating funds in any obligations or securities that are considered legal  
5508 investments for public funds in accordance with ~~Chapter 45~~ the Investment of Public Funds Act  
5509 ~~(§ 2.2-4500 et seq.) of Title 2.2.~~ The ~~Board~~ board shall adopt written investment guidelines and  
5510 ~~shall~~ retain an independent investment advisory firm or consultant to review, ~~a minimum of at~~ at  
5511 least every five years; the suitability of the Authority's investments and ~~their~~ the consistency of  
5512 such investments with the investment guidelines.

5513 **Drafting note: Subsections A through D of existing § 23-50.16:14 are relocated to**  
5514 **proposed § 23.1.2404 on powers of the Authority. Technical changes are made, including**  
5515 **removing an obsolete effective date for proposed subsections A and B and removing "or**  
5516 **persons" in subsection A because § 1-227 provides that throughout the Code any word in**  
5517 **the singular includes the plural and vice versa.**

§ ~~23-50.16:11~~ 23.1-2409. ~~Acquisition and disposition of property; acceptance of grants~~

Grants and loans from localities.

~~A. Except as to those hospital facilities or any parts thereof that are leased to the Authority by the University, the control and disposition of which shall be determined by such lease instruments, the Authority may:~~

~~1. Own, hold, improve, use and otherwise deal with real or personal property, tangible or intangible, or any right, easement, estate or interest therein, acquired by purchase, exchange, gift, assignment, transfer, foreclosure, lease, bequest, devise, operation of law or other means on such terms and conditions and in such manner as it may deem proper;~~

~~2. Sell, assign, lease, encumber, mortgage or otherwise dispose of any project or any other real or personal property, tangible or intangible, or any right, easement, estate or interest therein, or any deed of trust or mortgage lien interest owned by it, under its control or custody or in its possession. The Authority may release or relinquish any right, title, claim, lien, interest, easement or demand however acquired, including any equity or right of redemption in property foreclosed by it; and~~

~~3. Do any of the foregoing by public or private sale, with or without public bidding, notwithstanding the provisions of any other law.~~

~~B. The Authority may accept loans, grants, contributions or other assistance from the federal government, the Commonwealth or any political subdivision thereof, or from any other public or private source to carry out any of the purposes of this chapter. The Authority may enter into any agreement or contract regarding or relating to the acceptance, use or repayment of any such loan, grant, contribution or assistance and may enter into such other agreements with any such entity in furtherance of the purposes of this chapter.~~

Counties, cities and towns Localities ~~are hereby~~ authorized to lend or donate money or other property to the Authority for any of ~~its~~ the Authority's purposes. The local ~~government governing body~~ making the grant or loan may restrict the use of such grants or loans to a specific project; within or ~~without~~ outside that locality.

**Drafting note: Existing subsections A and B of § 23-50.16:11 are relocated to proposed § 23.1.2404 on powers of the Authority. Technical changes are made.**

~~§ 23-50.16:8~~ 23.1-2410. Audit.

The ~~accounts of the~~ Authority shall ~~be audited annually by select~~ through a process of competitive negotiation either the (i) Auditor of Public Accounts, or his legally authorized representatives, or ~~by (ii) a certified public accounting firm, as selected by the Authority to~~ annually audit the Authority's accounts. ~~The Authority shall select a certified public accounting firm or the Auditor of Public Accounts through a process of competitive negotiation.~~

Copies B. The Authority shall distribute copies of the annual audit ~~shall be distributed~~ to the Governor and ~~to the chairmen~~ Chairmen of the House Committee on Appropriations and the Senate Committee on Finance.

C. The Auditor of Public Accounts and his legally authorized representatives ~~are hereby authorized and empowered from time to time to~~ may examine the accounts and books of the Authority; however, the Authority ~~shall is~~ not ~~be deemed to be~~ a state or governmental agency, advisory agency, public body or agency, or instrumentality for purposes of Chapter 14 (§ 30-130 et seq.) of Title 30.

D. The Authority shall be subject to periodic external review under the provisions of the Legislative Program Review and Evaluation Act (§ 30-65 et seq.).

**Drafting note: Technical changes.**

~~§ 23-50.16:16~~ 23.1-2411. Exemption from taxation.

~~As set forth in § 23-50.16:3, the Authority will be performing essential governmental functions in the exercise of the powers conferred upon it by this chapter. Accordingly, the A.~~  
The Authority ~~shall is~~ not ~~be~~ required to pay any taxes or assessments upon any (i) project ~~or any~~, property, or ~~upon any~~ operations of the Authority or the income ~~therefrom, from such projects, property, or operations~~ or ~~any taxes or assessments upon any~~ (ii) project ~~or any~~, property, or local obligation acquired or used by the Authority under the provisions of this chapter or ~~upon~~ the income ~~therefrom~~ from such projects, property, or local obligations. ~~The~~

Such exemptions ~~hereby granted~~ shall not extend to persons ~~or entities~~ conducting ~~on the Authority's property~~ businesses on the Authority's property for which payment of state or local taxes would otherwise be required.

B. Any bonds issued by the Authority under the provisions of this chapter, the transfer ~~thereof of such bonds,~~ and the income ~~therefrom,~~ from such bonds and all rents, fees, charges, gifts, grants, revenues, receipts, and other moneys received or pledged to pay or secure the payment of such notes or bonds, ~~shall at all times be free~~ are exempt from taxation and assessment of every kind by the Commonwealth and by the local ~~governments governing bodies~~ and other political subdivisions of the Commonwealth.

**Drafting note: Technical changes.**

§ ~~23-50.16:17~~ 23.1-2412. ~~Assistance by the University; transfer~~ Transfer of existing hospital facilities.

A. The University ~~is hereby authorized to~~ may lease, convey, or otherwise transfer to the Authority any or all assets and liabilities appearing on the balance sheet of ~~the Medical College of Virginia MCV~~ Hospitals and any or all of the hospital facilities, except real estate ~~which that~~ may be leased to the Authority for a term not to exceed ~~ninety-nine~~ 99 years, upon such terms as may be approved by the University.

B. Any transfer of hospital facilities ~~shall be pursuant to subsection A is~~ conditioned upon the following existence of a binding agreement between the University and the Authority:

1. ~~The existence of a binding agreement between the University and the Authority that~~ That requires the Authority to assume, directly or indirectly, ~~those~~ hospital obligations that are directly related to the hospital facilities, or any ~~parts thereof,~~ part of the hospital facilities that are transferred, ~~which including rentals as provided in subsection C or a combination of rentals and other obligations~~ in the case of a lease of hospital facilities ~~may take the form of rental, as provided in subsection C of this section, or a combination of assumption and such rental;~~

2. ~~The existence of a binding agreement between the University and the Authority that~~ That provides that, effective on the transfer date ~~and thereafter,~~ the Authority shall assume



responsibility for ~~and shall~~, defend, indemnify, and hold harmless the University and its officers and directors with respect to:

a. All liabilities and duties of the University pursuant to contracts, agreements, and leases for commodities, services, and supplies used by ~~the Medical College of Virginia MCV~~ Hospitals, including property leases;

b. All claims related to the employment relationship between employees of the Authority and the University on and after the transfer date;

c. All claims for breach of contract resulting from the Authority's action or failure to act on and after the transfer date; and

d. All claims related to the Authority's errors and omissions, including, ~~but not limited to~~, medical malpractice, directors' and officers' liability, workers' compensation, automobile liability, ~~and~~ premises liability, completed operations liability, and products liability, resulting from the Authority's action or failure to act on and after the transfer date; and

3. ~~The existence of a binding agreement between the University and the Authority by~~ By which the Authority shall accept and agree to abide by provisions that ensure the continued support of the education, research, patient care, and public service missions of ~~the Medical College of Virginia MCV~~ Hospitals, ~~specifically~~ including, ~~without limitation~~:

a. A requirement that the Authority continue to provide emergency and inpatient indigent care services on the ~~Medical College of Virginia MCV~~ campus of the University in ~~a location or~~ locations including, ~~without limitation~~, downtown Richmond; and

b. A requirement that the Authority continue to act as the primary teaching facility for the ~~Medical College of~~ Virginia Commonwealth University School of Medicine and the Health Sciences ~~Center Schools~~ of the University.

C. Any lease of hospital facilities, ~~or any parts thereof~~, from the University to the Authority may include a provision that requires the Authority to pay the University a rental payment for the hospital facilities, ~~or any parts thereof~~, that are leased. For those hospital

facilities for which ~~rental rent~~ is paid, the ~~rental rent~~ shall be ~~an amount that may not be less than at least equal to~~ the greater of ~~the following~~:

1. ~~An amount equal to the~~ The debt service accruing during the term of the lease on all outstanding bonds issued for the purpose of financing the acquisition, construction, or improvement of the hospital facilities, ~~or any parts thereof~~, on which ~~rental rent~~ is paid; or

2. A nominal amount determined by the parties to be necessary to prevent the lease from being unenforceable because of a lack of consideration.

D. Any lease of hospital facilities, ~~or any parts thereof~~, shall include a provision that requires the Authority to continue to support the education, research, patient care, and public service missions of ~~the Medical College of Virginia MCV~~ Hospitals, ~~specifically~~ including, ~~without limitation~~:

1. A requirement that the Authority continue to provide emergency and inpatient indigent care services on the ~~Medical College of Virginia MCV~~ campus of the University in ~~a location or~~ locations including, ~~without limitation~~, downtown Richmond; and

2. A requirement that the Authority continue to act as the primary teaching facility for the ~~Medical College of Virginia School of Medicine and~~ Health Sciences ~~Center Schools~~ of the University.

E. All other agencies and officers of the Commonwealth ~~are authorized and directed to~~ shall take such actions as may be necessary or desirable in the judgment of the University to permit such conveyance and the full use and enjoyment of the hospital facilities, including, ~~without limitation~~, the transfer of property of any type held in the name of the Commonwealth or ~~some an~~ instrumentality or agency ~~thereof of the Commonwealth~~ but used by the University in the operation of the hospital facilities.

F. The Authority may pay to or on behalf of the University some or all of the costs of the hospital facilities. The University may apply some or all of such proceeds to the payment or defeasance of its obligations issued to finance the hospital facilities, and the Authority may issue its bonds to finance or refinance such payment ~~to or on behalf of the University~~.

G. Funds held by or for the University or any ~~predecessor or division thereof of its~~  
~~predecessors or divisions, specifically~~ including, ~~without limitation,~~ funds held by the  
University Foundation or the ~~Medical College of Virginia MCV~~ Foundation for the benefit of  
~~the Medical College of Virginia MCV~~ Hospitals or any ~~predecessor thereof, of its predecessors~~  
for use in operating, maintaining, or constructing hospital facilities, providing medical and  
health sciences education, or conducting medical or related research may be transferred, in  
whole or in part, to the Authority if the University or any foundation determines that the transfer  
is consistent with the intended use of the funds. The University may direct in writing that all or  
part of the money or property representing its beneficial interest under a will, trust agreement, or  
other donative instrument be distributed to the Authority if the University determines that such  
direction ~~will further~~ furthers any of the original purposes of the will, trust agreement, or other  
instrument. Such a direction shall not be considered a waiver, disclaimer, renunciation,  
assignment, or disposition of the beneficial interest by the University. A fiduciary's distribution  
to the Authority pursuant to such a written direction from the University ~~shall be deemed is~~ a  
distribution to the University for all purposes relating to the donative instrument, and the  
fiduciary ~~shall have~~ has no liability for distributing any money or property to the Authority  
pursuant to such a direction. ~~None of the foregoing~~ Nothing in this section shall deprive any  
court of its jurisdiction to determine whether such a distribution is appropriate, under its cy pres  
powers or otherwise.

~~§ 23-50.16:20. Operation of hospital facilities.~~

H. The Authority shall not operate any ~~of the~~ hospital ~~facilities pursuant to this section~~  
prior to execution of the lease ~~or leases~~ and agreement ~~or agreements~~ required by ~~§ 23-50.16:17,~~  
this section and such other agreements as may be necessary or convenient in the University's  
judgment to provide for the transfer of the operations of the hospital facilities to the Authority,  
unless, and to the extent that, the University approves otherwise.

~~§ 23-50.16:21. Assignment of agreements.~~

I. The University may assign, and the Authority may accept the rights and assume the obligations under, any ~~contracts~~ contract or other ~~agreements~~ agreement of any type relating to the financing or the operating of the hospital facilities. Upon evidence that such assignment and acceptance ~~have~~ has been made, all agencies and instrumentalities of the Commonwealth ~~are~~ directed to shall consent to such assignment and ~~to~~ accept the substitution of the Authority for the University as a party to such ~~agreements~~ agreement to the extent that the University's obligations ~~thereunder~~ under such agreement relate to the ownership, operation, or financing of the hospital facilities. Indebtedness previously incurred by the Commonwealth, the Virginia Public Building Authority, the Virginia College Building Authority, and any other ~~agencies and instrumentalities~~ agency or instrumentality of the Commonwealth to finance the hospital facilities may continue to remain outstanding after the transfer and ~~the~~ assignment of ~~the agreements relating thereto~~ such agreement by the University to the Authority.

~~§ 23-50.16:22. Licenses and permits.~~

J. The transfer of the hospital facilities from the University to the Authority ~~shall~~ does not require a certificate of public need pursuant to Article 1.1 (§ 32.1-102.1 et seq.) of Chapter 4 of Title 32.1. All licenses, permits, certificates of public need, or other authorizations of the Commonwealth ~~or, any agency thereof or of~~ of the Commonwealth, or any ~~county, city or town~~ locality held by the University in connection with the ownership or operation of the hospital facilities ~~shall be deemed to be~~ are transferred, without further action, to the Authority ~~as and~~ to the extent that the Authority undertakes the activity ~~thereby~~ permitted by such authorizations. All agencies and officers of the Commonwealth and all ~~agencies and officers of counties, cities and towns are directed to~~ localities shall confirm such transfer by the issuance of new or amended licenses, permits, certificates of public need, or other authorizations upon the request of the University and the Authority.

~~§ 23-50.16:23. Agent for University.~~

K. If for any reason the Authority cannot replace the University as a party to any agreement in connection with the financing, ownership, or operation of the hospital facilities,

the Authority and the University may ~~provide that~~ require the Authority ~~shall to~~ act as agent for the University in carrying out its obligations under such agreement or ~~in~~ receiving the benefits thereunder, or both.

**Drafting note:** Existing § 23-50.16:20 is relocated as subsection H of proposed § 23.1-2412. Existing § 23-50.16:21 is relocated as subsection I of proposed § 23.1-2412. Existing § 23-50.16:22 is relocated as subsection J of proposed § 23.1-2412. Existing § 23-50.16:23 is relocated as subsection K of proposed § 23.1-2412. Technical changes are made, including:

1. Removing "but not limited to" and "without limitation" when used in conjunction with "including" in multiple subsections and subdivisions on the basis of the Code-wide application of § 1-218, which states "'Includes' means includes, but not limited to," and removing "location or" in subdivision D 1 on the basis of the Code-wide application of § 1-227, which provides that any word in the singular includes the plural and vice versa.

2. Removing "or leases" and "or agreements" on the basis of the Code-wide application of § 1-227, which provides that any word in the singular includes the plural and vice versa.

3. Changing references to "counties, cities, and towns" to "localities" pursuant to the Code-wide application of § 1-221, which states that "locality" means a county, city, or town.

~~§ 23-50.16:18~~ 23.1-2413. Capital projects.

A. All capital projects of the Authority shall be approved by the ~~Board~~ board. Within ~~thirty~~ 30 days after approval of any capital project in excess of \$5 million, the ~~Board~~ board shall notify the House Appropriations and Senate Finance Committees of the scope, cost, and construction schedule of the proposed capital project. The ~~Board~~ board may undertake the project unless ~~objections are raised by~~ either Committee raises objections within ~~thirty~~ 30 days

of the notification. ~~If objections are made, in which case~~ the Authority ~~may shall~~ not undertake the project until ~~the such~~ objections are resolved.

B. ~~No~~ Before the Authority materially increases the size or materially changes the scope of any capital project ~~that has been presented to the Committees without objection, no capital project for which objections were raised and resolved, and no capital project~~ for which construction has commenced, such project shall ~~be materially increased in size or materially changed in scope without following the procedure of subsection A of this section~~ be approved again by the board in accordance with subsection A and, in the case of any capital project in excess of \$5 million, presented again to the House Appropriations and Senate Finance Committees in accordance with subsection A.

C. Notwithstanding any ~~laws or regulations~~ provision of law to the contrary, the Authority ~~shall is~~ not ~~be~~ subject to any further process or procedure that requires the submission, review, or approval of any capital project; however, the Authority shall ensure that BOCA Code and fire safety inspections ~~of any capital project~~ are conducted for any capital project and that such projects are inspected by the State Fire Marshal or his designee prior to certification for building occupancy.

**Drafting note: Technical changes.**

§ ~~23-50-16-19~~ 23.1-2414. Leases of property.

~~The Leases of real property that the~~ Authority ~~shall be enters into are~~ exempt from the provisions of § 2.2-1149 and from any ~~rules policies~~, regulations, and guidelines of the Division of Engineering and Buildings ~~in relation to leases of real property into which it enters.~~

**Drafting note: Technical changes are made, including referring to "policies" instead of "rules" per board practice.**

§ ~~23-50-16-24~~ 23.1-2415. Employees of the Authority.

A. ~~Until July 1, 2001, employees of the Authority shall be considered employees of the Commonwealth.~~ Employees of the Authority shall be employed on such terms and conditions as established by the Authority. The ~~Board of Directors of the Authority board~~ shall develop and

5758 adopt policies and procedures that ~~will~~ afford its employees grievance rights, ensure that  
5759 employment decisions ~~shall be~~ are based upon the merit and fitness of applicants, and ~~shall~~  
5760 prohibit discrimination ~~because~~ on the basis of race, religion, color, sex, or national origin. ~~Any~~  
5761 ~~grievance procedure adopted by the Board other than that contained in § 2.2-1202.1 shall take~~  
5762 ~~effect no earlier than July 1, 1997; however, such grievance procedure shall not take effect~~  
5763 ~~unless the Authority delivers copies of such grievance procedure to the chairmen of the House~~  
5764 ~~Committee on Appropriations and the Senate Committee on Finance on or before January 1,~~  
5765 ~~1997.~~

5766 B. The Authority shall issue a written notice to all ~~persons~~ individuals whose  
5767 employment ~~will be~~ is transferred to the Authority. The date upon which such written notice is  
5768 issued ~~shall be~~ is referred to ~~herein in this section~~ as the "Option Date." Each ~~person~~ individual  
5769 whose employment ~~will be~~ is transferred to the Authority may, by written request made within  
5770 180 days of the Option Date, elect not to become employed by the Authority. Any employee of  
5771 ~~the Medical College of Virginia MCV~~ Hospitals who (i) elects not to become employed by the  
5772 Authority ~~and who;~~ (ii) is not reemployed by any department, institution, board, commission, or  
5773 agency of the Commonwealth; ~~(ii) (iii)~~ is not offered ~~the opportunity to transfer to~~ alternative  
5774 employment by the Authority; ~~or (iii) (iv)~~ is not offered a position with the Authority for which  
5775 the employee is qualified; or (v) is offered a position by the Authority that requires relocation or  
5776 a reduction in salary, ~~shall be~~ is eligible for the severance benefits conferred by the provisions of  
5777 the Workforce Transition Act (§ 2.2-3200 et seq.). Any employee who accepts employment  
5778 with the Authority ~~shall not be considered to be involuntarily~~ has voluntarily separated from  
5779 state employment and ~~shall is~~ not ~~be~~ eligible for the severance benefits conferred by the  
5780 provisions of the Workforce Transition Act.

5781 C. Without limiting its power generally with respect to employees, the Authority may  
5782 employ any ~~person employed by the~~ University employee utilized in the operation of the  
5783 hospital facilities and ~~may~~ assume obligations under any employment agreement for such  
5784 person employee, and the University may assign any such contract to the Authority.



D. The Authority and the University may ~~also~~ enter into agreements providing for the purchase of services of University employees ~~of the University~~ utilized in the operation of the hospital facilities by ~~payment of such~~ paying agreed-upon amounts ~~as may be agreed-upon~~ to cover all or part of the salaries and other costs of such employees.

E. Notwithstanding any other provision of law to the contrary, any ~~person~~ employee whose employment is transferred to the Authority as a result of this chapter and who is a member of any plan for providing health insurance coverage pursuant to Chapter 28 (§ 2.2-2800 et seq.) of Title 2.2, shall continue to be a member of such health insurance plan under the same terms and conditions ~~as if no transfer had occurred of such plan~~.

F. Notwithstanding subsection A of § 2.2-2818, the costs of providing health insurance coverage to ~~such~~ employees who elect to continue to be members of the state employees' health insurance plan shall be paid by the Authority. ~~Alternatively, an~~

G. Any employee of the Authority may elect to become a member of any health insurance plan established by the Authority. The Authority ~~is authorized to~~ may (i) establish a health insurance plan for the benefit of its employees, residents, and interns and (ii) enter into ~~agreements~~ an agreement with the Department of Human Resource Management providing for the coverage of its employees, interns, and residents under the state employees' health insurance plan, provided that such agreement ~~shall require~~ requires the Authority to pay the costs of providing health insurance coverage under such plan.

F. Notwithstanding any other provision of law to the contrary, any ~~person~~ employee whose employment is transferred to the Authority as a result of this chapter and who is a member of the Virginia Retirement System, or ~~other~~ another retirement plan as authorized by Article 4 (§ 51.1-125 et seq.) of Chapter 1 of Title 51.1, shall continue to be a member of the Virginia Retirement System or ~~other~~ such other authorized retirement plan under the same terms and conditions ~~as if no transfer had occurred of such plan~~. ~~Alternatively, such~~ Any such employee ~~(and any employee employed by the Authority between July 1, 1997, and June 30, 1998, who elected to be covered by the Virginia Retirement System)~~ may elect, during an open



enrollment period from April 1, 2001, through April 30, 2001, to become a member of the retirement program established by the Authority for the benefit of its employees pursuant to § ~~23-50.16:24.1~~ 23.1-2416 by transferring assets equal to the actuarially determined present value of the accrued basic benefit as of the transfer date. The Authority shall reimburse the Virginia Retirement System for the actual cost of actuarial services necessary to determine the present value of the accrued basic benefit of employees who elect to transfer to the Authority's retirement plan. The following rules shall apply to such transfers:

1. With respect to any transferred employee who elects to remain a member of the Virginia Retirement System or ~~other such~~ another authorized retirement plan, the Authority shall collect and pay all employee and employer contributions to the Virginia Retirement System or such other ~~such~~ authorized retirement plan for retirement in accordance with the provisions of Chapter 1 (§ 51.1-124.1 et seq.) of Title 51.1 for such transferred employees.

2. Transferred employees who elect to become members of the retirement program established by the Authority for the benefit of its employees shall be given full credit for their creditable service as defined in § 51.1-124.3, vesting and benefit accrual under the retirement program established by the Authority. For any such employee, employment with the Authority shall be treated as employment with any nonparticipating employer for purposes of the Virginia Retirement System or other retirement plan as authorized by Article 4 (§ 51.1-125 et seq.) of Chapter 1 of Title 51.1.

3. For transferred employees who elect to become members of the retirement program established by the Authority, the Virginia Retirement System or other such authorized plan shall transfer to the retirement plan established by the Authority assets equal to the actuarially determined present value of the accrued basic benefit as of the transfer date. For the purposes ~~hereof of such calculation~~, the basic benefits ~~shall be~~ is the benefit accrued under the Virginia Retirement System or ~~other such~~ another authorized retirement plan, based on creditable service and average final compensation as defined in § 51.1-124.3 and determined as of the transfer date. The actuarial present value shall be determined on the same basis, using the same actuarial

factors and assumptions used in determining the funding needs of the Virginia Retirement System or such other ~~such~~ authorized retirement plan; so that the transfer of assets to the retirement plan established by the Authority ~~will have~~ has no effect on the funded status and financial stability of the Virginia Retirement System or other such authorized retirement plan.

**Drafting note: The first and last sentences of subsection A are recommended for repeal as obsolete. Technical changes are made.**

§ ~~23-50.16:24.1~~ 23.1-2416. Retirement benefits for employees of the Authority.

A. The Authority may establish and determine the effective date of one or more retirement plans covering in whole or in part its employees, including employees who, prior to the effective date of any plan established pursuant to this section, ~~had been participants~~ participated in any plan established pursuant to §§ 51.1-126; or 51.1-126.1, or former § 51.1-126.2. The Authority ~~is authorized to~~ may make contributions for the benefit of its employees who elect to participate in such plan or arrangement rather than in any other retirement system established by Chapter 1 (§ 51.1-124.1 et seq.) of Title 51.1. ~~Any such alternative retirement plan shall become effective at such time as determined by the Authority.~~

B. ~~Notwithstanding any other provision of law to the contrary, any employee of the Authority employed prior to July 1, 1998, may make~~ Except in the case of an employee of the Authority hired prior to July 1, 1998, who made an irrevocable election to participate in the retirement plan established by Chapter 1 (§ 51.1-124.1 et seq.) of Title 51.1 or any plan previously established by the Authority; in accordance with guidelines established by the Authority. ~~The election herein provided shall, as to any employee of the Authority employed following the effective date of any plan established pursuant to this section, be exercised not later than thirty-one days from the time of entry upon the performance of his duties. Any employee of the Authority hired on or after July 1, 1998, each eligible employee of the Authority shall participate in a plan established by the Authority, subject to the plan's eligibility criteria pursuant to subsection A.~~

C. No employee of the Authority who is an active member of a plan established ~~under this section~~ pursuant to subsection A shall also be an active member of the retirement system established pursuant to Chapter 1 (§ 51.1-124.1 et seq.) of Title 51.1 or a beneficiary of such retirement system other than as a contingent annuitant.

D. Notwithstanding any other provision of law to the contrary, the contribution by the Authority to any other retirement plan established pursuant to subsection A on behalf of employees of the Authority hired before July 1, 1998, ~~pursuant to subsection A~~ shall be ~~(i)~~ equal to the lesser of (i) the contribution the Commonwealth would be required to make if the employee were a member of the retirement system established by Chapter 1 (§ 51.1-124.1 et seq.) of Title 51.1 or (ii) eight percent of creditable compensation, ~~whichever is less~~. The contribution by the Authority to any retirement plan established pursuant to subsection A on behalf of employees of the Authority hired on or after July 1, 1998, ~~pursuant to subsection A~~ shall be determined by the ~~Board~~ board.

E. If the ~~institution of higher education with which the Authority is affiliated~~ University has adopted a retirement plan under § 51.1-126 for its employees who are engaged in the performance of teaching, administrative, or research duties, the plan established ~~under this section~~ by the Authority pursuant to subsection A shall offer similar investment opportunities as are available to the participants of the plan established pursuant to § 51.1-126.

F. The Authority shall develop policies and procedures for the administration of any retirement plan established by the Authority ~~under this section~~ pursuant to subsection A. A copy of such policies and procedures shall be filed with the Board of Trustees of the Virginia Retirement System.

**Drafting note: Obsolete language in subsection B is removed. Technical changes are made.**

§ ~~23-50.16:24.2~~ 23.1-2417. Insurance for employees of the Authority.

The Authority shall purchase group life, accidental death and dismemberment, and disability insurance policies covering in whole or in part its employees. Authority employees

shall not be required to present at their own expense evidence of insurability satisfactory to an insurance company for basic group life insurance coverage. Any employee hired prior to July 1, 1998, shall be provided basic group life insurance at the same level of coverage as provided by the Virginia Retirement System. Any employee hired on or after July 1, 1998, shall be provided basic group life insurance at a level of coverage determined by the ~~Board, provided that the level of coverage shall~~ board that is not ~~be~~ less than the equivalent of ~~one times~~ the employee's annual salary. The Authority may require employees hired on or after July 1, 1998, to pay all or a portion of the required basic group life insurance coverage, ~~which.~~ Such payment may be collected through a payroll deduction program. The Authority may increase the insurance coverage under such policies to make available to active insured employees optional life, accidental death and dismemberment, and disability insurance. Authority employees shall not be covered by the Virginia Retirement System's group insurance program under § 51.1-501.

**Drafting note: Technical changes.**

§ ~~23-50.16:25~~ 23.1-2418. Power to issue bonds.

A. The Authority may issue bonds ~~from time to time~~ for any of its purposes, including (i) financing or refinancing all or any part of its programs or general operations; (ii) costs of any project, including the hospital facilities, whether or not owned by the Authority; or (iii) to refund bonds or other obligations issued ~~therefor~~ by or on behalf of the Authority, the University, or otherwise, including bonds or obligations not then subject to redemption, ~~and.~~ The Authority may guarantee, assume, or otherwise agree to pay, in whole or in part, indebtedness issued by the University or any other party resulting in the acquisition or construction of facilities for the benefit of the Authority or the refinancing ~~thereof of such~~ indebtedness.

B. Notwithstanding Article 1 (§ 2.2-1800 et seq.) of Chapter 18 of Title 2.2, bonds may be issued under the provisions of this chapter without (i) obtaining the consent of any commission, board, bureau, political subdivision, or agency of the Commonwealth ~~or of any political subdivision, and without~~ or (ii) any proceedings or the happening of, conditions, or

things other than those proceedings, conditions, or things that are specifically required by this chapter; however, each debt offering shall be submitted to the State Treasurer sufficiently prior to the sale of such offering to allow the State Treasurer to undertake a review for the sole purposes of determining ~~(i) (a)~~ whether the offering may constitute tax-supported debt of the Commonwealth and ~~(ii) (b)~~ the potential impact of the offering on the debt capacity of the Commonwealth. After such review, the State Treasurer shall determine if the offering constitutes tax-supported debt of the Commonwealth and the potential impact of the offering on the debt capacity of the Commonwealth. If the State Treasurer determines that the debt offering may constitute tax-supported debt of the Commonwealth, or may have an adverse impact on the debt capacity of the Commonwealth, then the debt offering shall be submitted to the Treasury Board for review and approval of the terms and structure of the offering in a manner consistent with § 2.2-2416.

C. The Authority may issue ~~such types of bonds as it may determine, including, without limitation,~~ bonds payable as to principal and interest from any ~~one or more~~ of the following sources: (i) its revenues generally; (ii) income and revenues derived from the operation, sale, or lease of a particular project or projects, whether or not they are financed or refinanced from the proceeds of such bonds; (iii) funds realized from the enforcement of security interests or other liens or obligations securing such bonds; (iv) proceeds from the sale of bonds; (v) payments under letters of credit, policies of municipal bond insurance, guarantees, or other credit enhancements; (vi) any reserve or sinking funds created to secure such payment; (vii) accounts receivable of the Authority; or (viii) other available funds of the Authority.

D. Any bonds may be ~~additionally~~ guaranteed by, or secured by a pledge of, any grant, contribution, or appropriation from a participating political subdivision, the University, the Commonwealth or any political subdivision, agency, or instrumentality ~~thereof, of the Commonwealth or from~~ any federal agency or any unit, private corporation, partnership, association, or individual.

**Drafting note: Technical changes are made, including removing "without limitation" when used in conjunction with "including" on the basis of the Code-wide application of § 1-218, which states "'Includes' means includes, but not limited to."**

§ ~~23-50.16:26~~ 23.1-2419. Liability on bonds.

No member of the ~~Board of Directors or board~~; officer, employee, or agent of the Authority; or ~~any~~ person executing bonds of the Authority ~~shall be~~ is liable personally on the bonds by reason of ~~their issuance~~ issuing or ~~execution~~ executing such bonds. Bonds of the Authority ~~shall are~~ not ~~be~~ a debt of the Commonwealth or any political subdivision ~~thereof of~~ the Commonwealth other than the Authority and shall so state on their face. Neither the Commonwealth nor any political subdivision ~~thereof of the Commonwealth~~ other than the Authority shall be liable for payment of bonds of the Authority, nor shall such bonds be payable out of any funds or properties of the Commonwealth or any political subdivision ~~thereof of the~~ Commonwealth other than those of the Authority, except as permitted by § ~~23-50.16:25~~ 23.1-2418. Bonds of the Authority are ~~declared to be~~ issued for an essential public and governmental purpose.

**Drafting note: Technical changes.**

§ ~~23-50.16:27~~ 23.1-2420. Form of bonds.

A. Bonds of the Authority shall (i) be authorized by resolution setting forth the maximum principal amount issuable ~~and may be issued in one or more series, shall,~~ (ii) be dated, ~~shall and~~ (iii) mature ~~at such time or times~~ not ~~exceeding forty~~ more than 40 years from their date and may be (a) issued in one or more series and (b) made redeemable or subject to tender before maturity, at the option of the Authority, at such price or ~~prices and~~ under such terms and conditions as may be fixed by the Authority or its agents prior to issuance.

B. Bonds of the Authority shall bear interest payable at such times and ~~at such~~ rates ~~as may be determined by the Authority, or as may be determined and~~ in such manner as the Authority or its agents may ~~provide~~ determine, including rates approved by officers of the Authority under authorization of the ~~Board~~ board, rates tied to indices, rates of other securities,

or other standards and determinations by agents designated by the Authority under guidelines established by the Authority.

C. The Authority shall determine the form ~~of its bonds and the~~, manner of execution, and ~~shall fix the~~ denominations ~~thereof of its bonds~~ and the place ~~or places~~ of payment of principal and interest, which may be at any bank or trust company or securities depository within or ~~without outside~~ the Commonwealth. The bonds may be issued in coupon or registered form, or both, and provision may be made for their registration in whole or in part. 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 ~~thereon on the bonds~~.

D. If any officer whose signature or a facsimile of whose signature ~~shall appear~~ appears on any bonds or coupons ~~shall cease~~ ceases to ~~be such officer~~ hold such office before delivery of such bond, such signature or ~~such~~ facsimile ~~shall is~~ nevertheless ~~be~~ valid and sufficient for all purposes.

E. The Authority may contract for the services of one or more banks, trust companies, financial institutions, or other entities or persons, within or outside the Commonwealth, for the authentication, registration, transfer, exchange, and payment of bonds, or ~~may~~ provide such services itself. The Authority may sell such bonds ~~in such manner, either~~ at public or private sale, and for such price, as it ~~may determine~~ determines.

F. Notwithstanding any ~~of the~~ other ~~provisions~~ provision of this chapter or any recitals in any bonds issued under the provisions of this chapter, all such bonds ~~shall be deemed to be~~ are negotiable instruments under the laws of the Commonwealth.

G. Prior to the preparation of definitive bonds, the Authority may issue interim receipts or temporary bonds, that are exchangeable for definitive bonds when such bonds ~~shall have been~~ are executed and ~~are~~ available for delivery.

H. The Authority may ~~also~~ provide for the replacement of any mutilated, destroyed, stolen, or lost bonds.

**Drafting note: Technical changes.**



§ ~~23-50.16-28~~ 23.1-2421. Trust indentures and mortgages; security for the bonds.

A. Any bond issued under this chapter may be issued pursuant to or secured by (i) a trust indenture, deed of trust, or mortgage of any project ~~or projects~~ or ~~any~~ other property of the Authority, whether or not financed, in whole or in part, from the proceeds of such bonds, ~~by~~; (ii) a trust or other agreement with a corporate trustee, which may be any trust company or bank having the powers of a trust company within or ~~without~~ outside the Commonwealth, or ~~other~~ another agent for bondholders; or (iii) any combination ~~thereof of issuance or security set forth in clause (i) or (ii)~~. Any such trust indenture or other agreement, or the resolution providing for the issuance of bonds, may pledge or assign fees, rents, and other charges to be received and ~~may~~ contain reasonable, proper, and lawful provisions for protecting and enforcing the rights and remedies of the bondholders ~~as may be reasonable and proper and not in violation of law. Such provisions may include, including~~ covenants: ~~(i)~~ (a) providing for the collection and application of revenues and the repossession and sale of any project or other property by the Authority, or any trustees under any trust indenture or agreement, ~~of any project or other property~~ upon default; ~~(ii)~~ (b) setting forth duties of the Authority in relation to the acquisition, construction, maintenance, operation, and insurance of any project or other property of the Authority and the ~~amounts~~ amount of fees, rents, and other charges to be charged; ~~(iii)~~ (c) providing for the collection of such fees, rents, and other charges, and the custody, safeguarding, and application of all moneys of the Authority; ~~(iv)~~ (d) providing for the creation of sinking funds and the creation and maintenance of reserves; and ~~(v)~~ (e) setting forth conditions or limitations with respect to ~~the inurrence of incurring~~ indebtedness or ~~the~~ granting ~~of~~ mortgages or other liens. Such trust indenture, trust, or other agreement or resolution may set forth the rights and remedies of the bondholders ~~and of the~~ trustee, or other agent for bondholders and ~~may~~ restrict the individual right of action by bondholders.

~~In addition, the~~ B. The Authority may grant mortgages, deeds of trust, security interests, and other liens on its real and personal property, including its accounts receivable, to secure bonds. All pledges of revenues of the Authority for payment of bonds ~~shall be~~ are valid and



6026 binding from the time ~~when~~ the pledge is made, ~~and the~~. The revenues pledged and ~~thereafter~~  
6027 received by the Authority ~~shall be~~ are subject immediately to the lien of such pledge without  
6028 any physical delivery ~~thereof of such pledge~~ or further act, ~~and the~~. The lien of any such pledge  
6029 shall be valid and binding ~~as~~ against all parties having claims of any kind in tort, contract, or  
6030 otherwise against the Authority, ~~irrespective of~~ whether or not such parties have notice ~~thereof~~  
6031 of the lien. The Authority may ~~also~~ provide for the recording or filing of any mortgage, deed of  
6032 trust, security interest ~~or~~, other lien, ~~or any~~ financing statement, or other instrument, necessary  
6033 or desirable to create, perfect, or evidence any lien created pursuant to this chapter.

6034 C. It shall be lawful for any bank or trust company within or ~~without~~ outside the  
6035 Commonwealth to (i) serve as depository of the proceeds of bonds or ~~of~~ other revenues of the  
6036 Authority ~~and to~~, (ii) furnish indemnifying bonds, or ~~to~~ (iii) pledge such securities as may be  
6037 required by the Authority.

6038 D. All expenses incurred in carrying out the provisions of such trust indenture ~~or~~,  
6039 agreement ~~or~~, resolution, or other agreements relating to any project, including those to which  
6040 the Authority may not be a party, may be treated as a part of the costs of a project.

6041 **Drafting note: Technical changes.**

6042 § ~~23-50.16-29~~ 23.1-2422. Remedies of obligees of Authority.

6043 Except to the extent that the rights ~~herein given~~ granted by this chapter may be restricted  
6044 by such trust indenture or trust or other agreement, any (i) holder of bonds or coupons issued  
6045 under the provisions of this chapter and ~~the~~ (ii) trustee or other agent for bondholders under any  
6046 trust indenture or trust or other agreement may, either at law or in equity, by suit, action,  
6047 injunction, mandamus, or other proceedings, (a) protect and enforce any and all rights granted  
6048 by this chapter or under the laws of the Commonwealth ~~or granted by this chapter or under~~, such  
6049 trust indenture, trust, or other agreement, or the resolution authorizing the issuance of such  
6050 bonds, and ~~may~~ (b) enforce and compel the ~~performance of~~ Authority or any agent or officer of  
6051 the Authority to perform all duties required by this chapter or ~~by~~ such trust indenture, trust, or

other agreement or resolution ~~to be performed by the Authority or by any officer or agent thereof~~, including the fixing, charging, and collecting of fees, rents, and other charges.

**Drafting note: Technical changes.**

§ ~~23-50.16:30~~ 23.1-2423. Bonds to be legal investments.

Bonds issued by the Authority under the provisions of this chapter are ~~hereby made~~ securities (i) in which all public officers and public bodies of the Commonwealth and its political subdivisions, ~~all~~ insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees, and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. ~~Such bonds are hereby made securities and~~ (ii) that may properly and legally be deposited with and received by any state or ~~municipal local~~ officer or ~~any~~ agency or political subdivision of the Commonwealth for any purpose for which the deposit of bonds or obligations is ~~now or may hereafter be~~ authorized by law.

**Drafting note: The language "now or may hereafter be" in the last sentence of proposed § 23.1-2423 is stricken as obsolete. Technical changes are made.**

§ ~~23-50.16:31~~ 23.1-2424. Existing bonds.

The Authority may assume; or ~~may~~ agree to make payments in amounts sufficient for the University to pay; some or all of the hospital obligations incurred under resolutions previously adopted by the University with respect to the hospital facilities and may issue bonds to refund bonds issued under such resolutions or ~~to~~ refinance such payment obligations. If the Authority ~~has assumed~~ assumes all hospital obligations under any such bond resolution and ~~commenced its operation of~~ operates substantially all of the hospital facilities financed or refinanced ~~thereby by such bond resolution~~, the University, ~~the~~ State Treasurer, ~~the~~ Virginia Public Building Authority, and ~~the~~ Virginia College Building Authority shall take such steps as are appropriate to provide for the substitution of the Authority for the University under such resolution and ~~to~~ transfer to the Authority any funds payable to the University under the terms of such resolution.

**Drafting note: Technical changes.**

6079 § ~~23-50.16:32~~ 23.1-2425. Confidential and public information.

6080 A. The Authority ~~shall be~~ is subject to the provisions of the Freedom of Information Act  
6081 (§ 2.2-3700 et seq.), ~~which shall include~~ including the exclusions set forth in subdivision 15 of §  
6082 2.2-3705.7 and subdivision A ~~23-of subsection A~~ of § 2.2-3711.

6083 B. For purposes of the Freedom of Information Act (§ 2.2-3700 et seq.), meetings of the  
6084 ~~Board shall~~ board are not ~~be~~ considered meetings of the ~~Board of Visitors~~ board of visitors of  
6085 the University. Meetings of the ~~Board~~ board may be conducted through telephonic or video  
6086 means as provided in § 2.2-3708 ~~or similar provisions of any successor law~~.

6087 **Drafting note: Technical changes.**

6088 § ~~23-50.16:33~~ 23.1-2426. Chapter liberally construed.

6089 This chapter shall constitute full and complete authority, without regard to the provisions  
6090 of any other law, for the ~~doing performance~~ of ~~the~~ acts ~~and things herein~~ authorized in the  
6091 chapter and shall be liberally construed to effect the purposes ~~hereof of the chapter~~. Insofar as  
6092 the provisions of this chapter are inconsistent with the provisions of any other ~~law~~, general,  
6093 specific, or local law, the provisions of this chapter ~~shall be controlling control~~.

6094 **Drafting note: Technical changes.**

6095 § ~~23-50.16:34~~ 23.1-2427. ~~Exemption of Authority from Personnel Act, Workforce~~  
6096 ~~Transition Act, Administrative Process Act, and Public Procurement Act~~ Exemptions.

6097 The provisions of ~~Chapter 29 the Virginia Personnel Act~~ (§ 2.2-2900 et seq.) ~~of Title 2.2,~~  
6098 ~~Chapter 32 the Workforce Transition Act~~ (§ 2.2-3200 et seq.) ~~of Title 2.2, Chapter 40 the~~  
6099 ~~Administrative Process Act~~ (§ 2.2-4000 et seq.) ~~of Title 2.2,~~ and ~~Chapter 43 the Virginia Public~~  
6100 ~~Procurement Act~~ (§ 2.2-4300 et seq.) ~~of Title 2.2 shall do~~ not apply to the Authority in ~~the its~~  
6101 exercise of any power conferred to it under this chapter.

6102 **Drafting note: Technical changes.**

6103 § ~~23-50.16:35~~ 23.1-2428. ~~Reversion Assets of Authority; reversion~~ to University.

6104 Upon dissolution of the Authority, all assets of the Authority, after satisfaction of  
6105 creditors, shall revert to the University.

6107 #