

**REPORT OF THE
VIRGINIA ADVISORY LEGISLATIVE COUNCIL
ON OFFICE SPACE
TO
THE GOVERNOR
AND
THE GENERAL ASSEMBLY OF VIRGINIA**



HOUSE DOCUMENT NO. 24

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DIVISION OF PURCHASES AND SUPPLY
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Report of the
Virginia Advisory Legislative Council
On State Office Space
To
The Governor and the General Assembly of Virginia
Richmond, Virginia
December, 1978

To: Honorable John N. Dalton, Governor of Virginia

and

The General Assembly of Virginia

I. Introduction

The nineteen hundred seventy-seven General Assembly recognized the need for a study of State office space by its passage of Senate Joint Resolution No. 118, introduced by Senator Peter K. Babalas. The Virginia Advisory Legislative Council was directed by the aforementioned resolution to conduct this study. However, the nature of the subject was such that one year was an insufficient time to conduct this study so the nineteen hundred seventy-eight General Assembly provided for additional time by passing House Joint Resolution No. 19, introduced by Delegate Vincent F. Callahan, Jr., the Committee's chairman.

The continuation of the Virginia Advisory Legislative Council's State Office Space Study was charged with several responsibilities as outlined in H.J.R. No. 19 set out below:

HOUSE JOINT RESOLUTION NO. 19

Continuing the Virginia Advisory Legislative Council Study of the construction, acquisition and leasing of buildings and office space by and for agencies of the Commonwealth and the desirability for regulation of such construction, acquisition and leasing by a central State agency.

WHEREAS, the agencies, departments and divisions of State government occupy considerable amounts of office space throughout the Commonwealth; and

WHEREAS, in some instances this office space is rented while in other instances the Commonwealth or some State agency owns the facilities used by a State agency or agencies for office space; and

WHEREAS, there appears to be no central agency charged with the responsibility of formulating and implementing policies such as would bring about a desirable level of uniformity among the several agencies of State government in the rental, acquisition or construction of office space or office facilities; and

WHEREAS, if such a central agency with such policy-making authority did exist, it might be possible to effect economies in the operation of State government; and

WHEREAS, the nineteen hundred seventy-seven General Assembly recognized the need for such study through the passage of Senate Joint Resolution No. 118; and

WHEREAS, the Virginia Advisory Legislative Council could not complete such an in-depth study of the aforementioned in the given time frame of one year; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Virginia Advisory Legislative Council Study on State Office Space be continued. Such study shall include, but not be limited to (1) a review of existing, owned and rented property occupied by State agencies with a view to determining how best such office space needs shall be provided; (2) a study of the feasibility of regional State office buildings to house the several State agencies in jurisdictions outside the Capitol city; (3) an examination of the powers and duties of the Division of Engineering and Buildings to determine the efficiencies which could be obtained through providing this agency or some other agency with centralized responsibility for the construction, acquisition and leasing of State office space; (4) to review methods of financing State office building construction and acquisition to remove this burden from the Virginia Supplemental Retirement System; and (5) to assess the impact of State office buildings on local tax bases and to determine how such impact could be minimized; and, be it

RESOLVED FURTHER, That the Virginia Advisory Legislative Council shall carry out such study and report its findings, together with any recommendations it deems appropriate, to the Governor and the General Assembly on or before November one, nineteen hundred seventy-eight.

The VALC continued the membership on the Committee as follows: Delegate Vincent F. Callahan, Jr. of McLean, Chairman; Senator Peter K. Babalas of Norfolk, Vice Chairman, Mr. Russell B. Clark of Keysville; Mr. Frank G. Eubank of McLean; Delegate Johnny S. Joannou of Portsmouth; Delegate William T. Parker of Chesapeake; Delegate Robert E. Washington of Norfolk; Delegate James M. Thomson of Alexandria; and Senator L. Douglas Wilder of Richmond. The Council adopted the Committee's report and recommendations which are set out hereafter for review by the General Assembly and the Governor.

II. Findings and Recommendations.

The first area of study by the Committee was a review of leased office space throughout the Commonwealth. The Committee discovered several disturbing facts, including the following: (1) that no central agency oversees the rental of property by various agencies to determine if additional space is necessary or if it is obtained at the lowest possible price; (2) that no short or long term Statewide plans are prepared in order to anticipate increases or decreases rental space needs; (3) that no guidelines exist as to how agencies may obtain rental space other than guidelines the agency may establish for itself or that its appropriations may allow; (4) that the appropriations process does not provide an adequate review of administrative costs assigned to the agency for the leasing of office space; (5) that no coordination exists among the agencies which have locations outside of Richmond to attempt to locate their office in close proximity for the benefit of citizen convenience or for the advantage of obtaining cost benefits which could accrue if such coordination existed; (6) that the Department of General Services exercises no authority over space leased by agencies except to ensure the legality of the lease agreement; (7) that the Department of General Services has no enforcement power to require agencies to maintain in the Department an accurate, up-to-date file of its rental space; (8) that the Department of Planning and Budget has no method by which it reviews existing rental space so that the need for long range capital outlay projects can be ascertained; (9) that attempts by the Department of Planning and Budget to use budget forms to ascertain increasing space needs are virtually ignored by all agencies.

The Committee expresses its alarm that these facts reflect a complete lack of cooperation and coordination among agencies and the absence of any administrative or legislative oversight, which results in totally inadequate planning and management of leased office space. Recommendations for obtaining the proper administrative and legislative control of leased office space so as to obtain efficiencies and economies for the State require both statutory changes and administrative action.

First, the Committee recommends that legislative actions be taken to strengthen the Department of General Services to give it complete control over all existing leased office space as well as make it responsible for obtaining on behalf of agencies any additional leased space they should require.

Where agency space is needed outside the Capitol City, the Department should be charged with determining the economics benefits that might be obtained by locating those agencies in the same physical quarters or in close proximity. The Department should also be given responsibilities for establishing guidelines as to the furnishing of all agency offices and the authority to contract for such furnishing. In addition, maintenance and custodial responsibilities for all properties should be assumed by the Department. The responsibilities of the Department should encompass all agencies with the exception of the institution of higher education which are overseen by the Council of Higher Education.

Second, the Committee recommends that the proper administrative officials direct the Department of Planning and Budget to assume its statutory responsibilities in the area of planning. The Department should be directed to provide annually an updated plan for assessing the office space needs of agencies and to provide a long range plan for the orderly development of all agency space, both leased and owned.

Third, the Committee recommends the General Assembly, through its appropriations process, recognize the need for stonger legislative oversight of expenditures for leased office space. Possibly, the Appropriations Act could provide for a separate identification item to isolate administrative expenses attributable to leased office space by each agency. This would facilitate the legislature in recognizing agency space needs and legislatively determining agencies' priorities for space.

The Committee also expresses its concern over several findings with regard to the acquisition of State-owned office space, including (1) that the budgetary process segregates capital expenses from operating expenses by assigning these responsibilities to two separate agencies, thus creating a stumbling block for assessing agency programs and plans with its capital outlay needs; (2) that the increasing need to lease office space is due to the shortage of funds available for capital outlay; (3) that this shortage of capital outlay funds has resulted in the investment of State retirement system funds in capital outlay projects; (4) that such investments are not as economical to the State as other forms of financing, such as general obligation bonds and revenue bonds; and (5) that this method of acquiring properties for the State is not subject to the approval of the State's elected representatives

The findings by the Committee have led it to conclude that, in regard to capital outlay projects and the acquisition of State owned property, legislative action is necessary.

First the Committee recommends that the Joint Legislative Audit and Review Commission's recommendations regarding the reorganization of the Capital outlay budgetary process be adopted by the General Assembly. These recommendation would address the Committee's concerns regarding the segregated budgets and make the preparation of the budgets a unified and more efficient process.

Second, the Committee recommends that legislative action be taken by the General Assembly to divest the Virginia Supplemental Retirement System (VSRS) of its authority to acquire property for the State. Under the present arrangement the VSRS may acquire a property and the Legislature has no recourse except to provide appropriations to buy the property from VSRS. Additionally, the interest that VSRS obtains has averaged eight percent. While other means of financing at lower interest rates are available to the State.

In place of the VSRS investments, the Committee recommends that the General Assembly establish a State Public Buildings Authority, which would have authority to issue revenue bonds at lower interest rates to finance capital projects. The Authority membership would include the Governor and both elected and appointed officials which would provide a measure of accountability which the VSRS method of financing lacks. This Authority would make its acquisitions based on the long-range plans provided by the Department of Planning and Budget and result in an orderly and economical approach to providing adequate space for agency need.

III. Conclusions.

The Committee realizes that the findings and recommendations are far-reaching and, in some instance, a departure from long standing statutory and administrative policies. State government must be increasing responsive to the efficiencies and economies which result from strict adherence to sound planning and management of properties. Without the adequate planning and coordination of

government services and programs in conjunction with the proper physical quarters in which to perform those services and functions, government becomes unable to fulfill its role in an efficient and economical fashion.

The Committee believes that the recommendations made herein and the legislation appended hereto (Appendix I) will provide the needed efficiencies that will enable the Virginia tradition of government to continue on its course of effectiveness at great economic savings to its citizens.

Respectfully Submitted:

Vincent F. Callahan, Jr., Chairman

Peter K. Babalas, Vice Chairman

Russell B. Clark

Frank G. Eubank

Johnny S. Joannou

William T. Parker

Robert E. Washington

L. Douglas Wilder

Appendix I.

A BILL to amend and reenact §§ 2.1-51.27, 2.1-422, 2.1-442, 2.1-452, 2.1-464, 2.1-481, 2.1-482, 2.1-484, 2.1-485, 2.1-487, 2.1-489, 2.1-495, 2.1-496, 2.1-498, 2.1-503, 2.1-505, 2.1-507, 2.1-511, 2.1-524, 4-7, 37.1-11, 37.1-12, 37.1-34.1, 46.1-28 and 51-111.24 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 32 of Title 2.1 an article numbered 7, consisting of sections numbered 2.1-548.1 through 2.1-548.19, and to repeal §§ 51-111.52:4 and 51-111.52:5 of the Code of Virginia, relating to the powers and duties of the Department of General Services, State buildings and property and creating the Virginia Public Building Authority Act.

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.1-51.27, 2.1-422, 2.1-442, 2.1-452, 2.1-464, 2.1-481, 2.1-482, 2.1-484, 2.1-485, 2.1-487, 2.1-489, 2.1-495, 2.1-496, 2.1-498, 2.1-503, 2.1-505, 2.1-507, 2.1-511, 2.1-524, 4-7, 37.1-11, 37.1-12, 37.1-34.1, 46.1-28 and 51-111.24 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 32 of Title 2.1 an article numbered 7, consisting of sections numbered 2.1-548.1 through 2.1-548.19 as follows:

§ 2.1-51.27. Agencies for which responsible.—The Secretary of Administration and Finance shall be responsible to the Governor for the following agencies: Department of Planning and Budget, *Department of General Services*, Department of Management Analysis and Systems Development, Department of Computer Services, Department of Intergovernmental Affairs, Department of Personnel and Training ; ~~Division of Engineering and Buildings~~ , Division of Records, ~~Department of Property Records and Insurance~~, ~~Department of Purchases and Supply~~, Virginia Public Telecommunications Council, ~~Division of Consolidated Laboratories~~, Department of Taxation, Department of the Treasury, Department of Accounts, Compensation Board, Virginia Supplemental Retirement System, Board of Elections, Treasury Board, and State Commission on Public Debt. The Governor may, by executive order, assign any other State executive agency to the Secretary of Administration and Finance, or reassign any agency listed above to another secretary.

§ 2.1-422. Creation of Department; appointment of Director.—There is hereby created, subordinate to the Secretary of Administration and Finance, a Department of General Services. The Department shall be headed by a Director who shall be appointed by the Governor to serve at his pleasure for a term coincident with his own.

Whenever in this title and in the Code of Virginia, reference is made to a division, department or agency hereinafter transferred to this Department, it shall mean the Department of General Services, through the division to which the powers and duties of that division, department or agency are assigned. *Whenever in this article reference is made to the "Authority," it shall mean the Virginia Public Building Authority.*

§ 2.1-442. Purchases to be made in accordance with rules and regulations of Division; exempt purchases; competitive bidding.—All purchases made by any department, division, *institution*, officer or agency of the State shall be made in accordance with such rules and regulations as the Division may prescribe. The Division shall have authority to make, alter, amend or repeal regulations relating to purchase of materials, supplies and equipment, and may specifically exempt purchases below a stated amount or particular agencies or specified materials, equipment and supplies. When purchases are made through competitive bidding, the contract shall be let to the lowest responsible bidder, taking into consideration the quality of the articles proposed to be supplied, their conformity with specifications, the purposes for which required, and the times of delivery; provided, however, that whenever the Division has reason to believe that the low bid is not the best price, it shall have authority to enter into further negotiations with the apparent low bidder to the end that the price paid shall be the best price obtainable. Bids shall be received only in accordance with standards and standard specifications, if any, adopted by the Division. All bids may be rejected. Each bid with the name of the bidder shall be entered of record, and each record, with the successful bid indicated, shall, after the letting of the contract, be open to public inspection.

§ 2.1-452. Article not applicable to Alcoholic Beverage Control Commission.—The provisions of this article relating to purchases and to purchasing shall not apply ~~either~~ to the purchasing by the Virginia Alcoholic Beverage Control Commission of alcoholic beverages, as defined in the Alcoholic Beverage Control Act, ~~or~~ *but shall apply* to the making of leases and the purchasing of real estate

by the Virginia Alcoholic Beverage Control Commission. Such alcoholic beverages and such real estate shall be purchased, and such leases shall be made, in accordance with the provisions of the Alcoholic Beverage Control Act.

§ 2.1-464. Uniform standards for State forms.—The Division of Purchases and Supply may shall set uniform standards for the design, utilization, procurement and inventory of State forms.

§ 2.1-481. Care of public buildings and property; Virginia War Memorial Carillon.—Notwithstanding any other provision of law, the Division of Engineering and Buildings shall have charge of all public buildings, grounds and all other state property at the seat of government not placed in the charge of others, except properties owned by the Virginia Public Building Authority and properties of the institutions of higher education, and shall protect such properties from depredations and injury.

The Division shall have custody, control and supervision of the Virginia War Memorial Carillon; provided, however, that nothing herein shall abrogate the obligations of the city of Richmond to provide for the upkeep and maintenance of the said Carillon.

§ 2.1-482. Maintenance and utilization standards.—The Division may shall develop, in cooperation with State institutions and agencies concerned, maintenance and utilization standards for State buildings, and provide functional direction and service to institutions and agencies of the State government with respect to their policies, practices and administration of buildings and grounds. Such maintenance and utilization shall include, but not be limited to, advice and appropriate provisions for the installation and utilization of approved water-conservation devices for the avoidance of wasting water throughout the facilities owned by the Commonwealth. This effort on the part of Division shall be in cooperation with other appropriate agencies of the Commonwealth. The Division shall review all be responsible for the maintenance and utilization standards and plans of such institutions and agencies of every building under its control. The Division shall promulgate and administer a space utilization program for every facility under its control.

§ 2.1-484. Review of easements; maintenance of real property records.—A. The Division shall review all deeds, leases and contractual agreements with utilities to serve State institutions or agencies that require the approval of the Governor, as well as all easements and rights-of-way granted by institutions and agencies to public and private utilities.

B. The Division shall be responsible for the maintenance of real property records of all State institutions and agencies, except records of real property acquired by the Department of Highways and Transportation for the construction of highways, and may have such boundary, topographic and other maps prepared as may be deemed necessary.

§ 2.1-485. Location, construction or lease of State consolidated office buildings.—Subject to the authority of the Virginia Public Buildings Commission Building Authority, the Division shall be responsible for the location and construction or lease leasing of State consolidated office buildings at the seat of government and throughout the State for joint use by State agencies, departments and institutions.

§ 2.1-487. Authority to assist and advise Governor and Department.—The Commission Authority shall assist and advise the Governor and the Department of General Services in the preparation and maintenance of a long-range site plan at the seat of government, and in the determination of need for the acquisition of land, buildings and improvements, through purchases or construction.

§ 2.1-489. Planning and construction by Division.—The Department of General Services, through the Division of Engineering and Buildings shall, subject to written approval of the Governor:

1. Prepare and, when necessary to meet changing conditions, amend a long-range site plan for the location of all State buildings, and improvements related thereto; in or adjacent to the city Richmond

2. Acquire with such funds as may be appropriated for that purpose the necessary effectuation of the plan; and

3. Direct and control the execution of all authorized projects for the construction

buildings and related improvements in or ~~adjacent~~ to the city of ~~Richmond~~ .

§ 2.1-495. Assignment of office space.—The Division shall be responsible for the assignment of office space to agencies at the seat of government and buildings under control of the Division, and for the establishment of standards for the utilization and furnishing of such space.

§ 2.1-496. Purchase of furniture for State buildings; repairs to buildings and furniture; surplus furniture.—The Division shall cause to be purchased through the Division of Purchases and Supply with the approval of the Governor, all such furniture as may be required in ~~the all State buildings within the master site plan of Capitol Square, excepting those assigned for use by agencies and departments, under its control~~ and have all such repairs made to either buildings or furniture thereof, as may be approved by the Governor; the cost of such repairs and furniture to be paid with such funds as approved by the Governor. The Division shall declare surplus that furniture which may no longer be satisfactorily used.

§ 2.1-498. Services for State buildings.—The Division of Engineering and Buildings shall contract for water, electricity, gas, sewer service, fuel for heating, and such other utility services as may be required to serve ~~the all State buildings within the master site plan of Capitol Square and for such other buildings as the Governor may designate under its control~~ . The cost of such services shall be paid out of funds appropriated therefor.

§ 2.1-503. Division may lease certain State property; preparation of leases by Attorney General; disposition of rentals.—The Division of Engineering and Buildings, with the written approval of the Governor first obtained, may lease property owned by the Commonwealth which has been or is hereafter acquired for the development of the State site plan for permanent State office buildings and related structures and facilities ~~lying near the Capitol Square~~ . All such leases shall be prepared by the Attorney General; they may run for such time as the Governor may prescribe and shall be for such rental as appears proper. All rentals received therefrom shall be paid into the general fund of the State treasury.

§ 2.1-505. State agencies and institutions to notify Division of property not used or required; criteria.—A. Whenever any department, agency or institution of State government shall ~~possess or have under its control~~ *occupy* state-owned property which is not being used or is not required for the purposes of such department, agency or institution, it shall so notify the Division of Engineering and Buildings. The Division of Engineering and Buildings shall ~~periodically~~ *annually* inquire of all departments, agencies, or institutions as to the current and proposed use of all state-owned property under their ~~control~~ *use* to determine whether such property should be declared surplus to the needs of the State. ~~Until permanent disposition of such property is effected, the property shall continue to be maintained by the department, agency, or institution possessing or controlling such property.~~

B. The Division shall establish criteria for ascertaining whether property ~~under the control of~~ *used by* a department, agency or institution should be classified as “surplus” to its current or proposed needs.

§ 2.1-507. Division to review proposed acquisitions of real property.—The Division of Engineering and Buildings shall coordinate ~~and~~ , review , ~~and approve~~ every proposed acquisition of real property either by gift, lease or purchase, by any agency or institution of this Commonwealth, except acquisitions of real property by the Department of Highways and Transportation for the construction of highways.

§ 2.1-511. Temporary transfer of use of property between State agencies and institutions.—Whenever any department, agency, or institution of State government shall ~~possess~~ *occupy* or have under its control state-owned property for which there is an anticipated future use or so as to preclude such property from being declared surplus but for which there is no immediate use, such department, agency, or institution of the State may effect an agreement in writing with any other department, agency, or institution of State government for the use of such property by such other department, agency, or institution during a period not to exceed five years. Such mutual agreement shall be subject to the concurrence of the Division of Engineering and Buildings and the approval of the Governor, both in writing first obtained. Any such mutual agreement may be extended beyond such five-year period on an annual basis in accordance with the procedures hereinabove prescribed.

§ 2.1-524. Inspection of state-owned properties for insurance purposes; determination of coverage;

procurement, discontinuance, etc., of insurance.—A. The Division ~~may inspect or~~ *may shall* administer a program of self-inspection for all state-owned properties and confer with the proper officials or employees of the several agencies of the State for the purpose of determining insurance coverages which shall be carried on or with respect to properties under their control, and to determine the manner whereby savings and costs of such insurance may be made. It may seek the assistance of insurance companies, and their representatives, the fire marshal of the State, and the State Insurance Board in devising means by which hazards may be reduced or eliminated. The Division shall have final responsibility with respect to coverage, noncoverage, provisions of policies, quantity and type of fire and extended coverage, vandalism and malicious mischief, and optional perils or all risk insurance coverage. ~~The Division shall not have the authority to place or recommend that insurance, which is or may be carried by the several agencies of the State on the properties under their control, be placed with any particular insurance agency or agencies, unless so authorized by the agency affected. The Division, upon the request and with the assistance of an agency, may on its behalf negotiate with insurance agents or insurance companies the purchase of insurance protection on all properties under its control, including such additional perils as may be included in the policy or added by endorsement. Whenever it is practicable and economical to do so, insurance to be carried on state-owned properties shall be placed with insurance agents whose principal offices are located within reasonable proximity to the properties to be insured.~~

B. The Division shall have the authority to change or discontinue fire and extended coverage, vandalism and malicious mischief, optional perils or all risk insurance coverage carried pursuant to bond indentures and other contractual requirements, provided such change or discontinuance meets with the written approval of the trustee or trustees of the bond indenture and those signatory to the contracts.

Article 7.

Virginia Public Building Authority Act.

§ 2.1-548.1. Virginia Public Building Authority Act.—This act may be cited as Virginia Public Building Authority Act of nineteen hundred seventy-nine.

§ 2.1-545.2. Definitions.—The following terms, whenever used or referred to in this act, shall have the following meanings, except in those instances where the context clearly indicates otherwise:

- 1. The term “Authority” shall mean the body politic and corporate created by this act.*
- 2. The term “department” shall mean the Department of General Services.*
- 3. The term “project” shall mean any structure, facility, or undertaking which the Authority is authorized to construct, improve, equip, furnish, maintain, acquire, or operate under the provisions of this act.*
- 4. The term “board” shall mean the governing body of the Authority.*
- 5. The term “person” shall mean and include natural persons, firms, associations, corporations, business trusts, partnerships, and public bodies.*
- 6. The term “federal agency” shall mean and include the United States of America, the President of the United States of America, and any department of, or corporation, agency, or instrumentality heretofore or hereafter created, designated, or established by the United States of America.*
- 7. The term “bonds” shall mean and include the notes, bonds, and other evidences of indebtedness or obligations which the authority is authorized to issue pursuant to this act.*
- 8. The term “construction” shall mean and include acquisition and construction, and the term “to construct” shall mean and include to acquire and to construct all in such manner as may be deemed desirable.*

9. The term "improvement" shall mean and include extension, enlargement, and improvement and the term "to improve" shall mean and include to extend, to enlarge, and to improve all in such manner as may be deemed desirable.

10. The terms "equipment" and "furnishings" shall mean and include any equipment and furnishings whatsoever as may be deemed desirable and required by the lessee of a project for the use and occupancy of such project, and the terms "to equip" or "to furnish" shall mean and include the installation of such equipment and furnishings.

§ 2.1-548.3. *Virginia Public Building Authority.*—The Governor, the State Treasurer, the Secretary of Administration and Finance, the Speaker of the House of Delegates, the Chairmen of the House Appropriations Committee and House Finance Committee, the Chairman of the Senate Finance Committee and their respective successors in office, and four citizens of Virginia, two to be appointed by the Governor, one by the Speaker of the House of Delegates, and one by the Committee on Privileges and Elections of the Senate, are hereby created a body corporate and politic, constituting a public corporation and governmental instrumentality by the name of the "Virginia Public Building Authority." Such members of the Authority shall be entitled to no compensation for their services as members, but shall be entitled to reimbursement for all necessary expenses incurred in connection with the performance of their duties as members. The term of the member appointed by the Governor shall expire with the term of the Governor appointing him. The terms of the two other appointed members shall expire on the first Tuesday of January of the odd-numbered year following the date of their appointment. Any vacancy happening among the appointed members of the Authority shall be filled by appointment by the Governor, Speaker of the House of Delegates, or Committee on Privileges and Elections of the Senate, as the case may be. The Department of General Services shall serve as staff to the Authority.

§ 2.1-548.4. *Purposes and duties.*—The Authority is created for the purpose of constructing, improving, equipping, furnishing, maintaining, acquiring, and operating public buildings for the use of the Commonwealth (heretofore or hereafter constructed), State arsenals, armories, and military reserves, State institutions of every kind and character (heretofore and hereafter constructed), additions and improvements to land grant colleges, State colleges, universities and medical colleges, and the purpose of lands for rehabilitation purposes in connection with State institutions and for use of State colleges (any and all the foregoing being herein called "projects"); provided, however, that the purpose and intent of this act being to benefit the people of the Commonwealth by, among other things, increasing their commerce and prosperity, and not to unnecessarily burden or interfere with existing business by the establishment of competitive enterprises, none of the powers granted hereby (other than for the construction, improvement and maintenance of bridges) shall be exercised in the construction, improvement, maintenance, extension, or operation of any project or projects which, in whole or in part, shall duplicate or compete with existing enterprises serving substantially the same purposes. Whenever any bill authorizing the Authority to undertake specific projects becomes a law, the Authority shall not undertake any project which at any time was included in such bill but which was not included in the bill as finally passed. The Authority is hereby granted and shall have and may exercise all powers necessary or convenient for the carrying out of the aforesaid purposes, including, but without limiting the generality of the foregoing, the following rights and powers:

(a) To have perpetual existence as a corporation.

(b) To sue and be sued, implead and be impleaded, complain and defend in all courts.

(c) To adopt, use, and alter at will a corporate seal.

(d) To acquire, purchase, hold and use any property, real, personal or mixed, tangible or intangible, or any interest therein necessary or desirable for carrying out the purposes of the Authority, and (without limitation of the foregoing) to lease as lessee, with the approval of the Governor, any property, real, personal or mixed, or any interest therein for a term not exceeding ninety-nine years at a nominal rental or at such annual rental as may be determined and, with the approval of the Governor, to lease as lessor to the Commonwealth of Virginia and any city, county, town or other political subdivision, or any agency, department, or public body of the Commonwealth, or land grant college, any project at any time constructed by the Authority, and any property, real, personal or mixed, tangible or intangible, or any interest therein, at any time acquired by the Authority, whether wholly or partially completed, and with the approval of the

Governor, to sell, transfer and convey to the Commonwealth of Virginia, any project at any time constructed by the Authority, and with the approval of the Governor, to sell, transfer and convey any property, real, personal or mixed, tangible or intangible, or any interest therein, at any time acquired by the Authority.

(e) To acquire by purchase, lease, or otherwise, and to construct, improve, equip, furnish, maintain, repair, and operate projects.

(f) To make by-laws for the management and regulation of its affairs.

(g) To fix, alter, change, and collect rates, rentals, and other charges for the use of the facilities of, or for the services rendered by, the Authority or projects thereof, at reasonable rates, to be determined by it for the purpose of providing for the payment of the expenses of the Authority, the construction, improvement, repair, equipping, furnishing, maintenance, and operation of its facilities and properties, the payment of the principal of and interest on its obligations, and to fulfill the terms and provisions of any agreements made with the purchasers or holders of any such obligations.

(h) To borrow money, make and issue negotiable notes, bonds, and other evidences of indebtedness or obligations (herein called "bonds") of the Authority, not exceeding two hundred million dollars in aggregate, and in addition thereto, such bonds the Authority may, from time to time, determine to issue for the purpose of refunding bonds previously issued by the Authority, and to secure the payment of all bonds, or any part thereof, by pledge or deed of trust of all or any of its revenues, rentals, and receipts, and to make such agreements with the purchasers or holders of such bonds or with others in connection with any such bonds, whether issued or to be issued, as the Authority shall deem advisable, and in general to provide for the security for said bonds and the rights of holders thereof.

The Authority shall, on or before the first day of January in each odd-numbered year, submit to the General Assembly its construction report and estimate of cost thereof for the coming biennium.

(i) To make contracts of every name and nature, and to execute all instruments necessary or convenient for the carrying on of its business.

(j) Without limitation of the foregoing, to borrow money and accept grants from, and to enter into contracts, leases or other transactions with, any federal agency.

(k) To have the power of eminent domain.

(l) To pledge or otherwise encumber all or any of the revenues or receipts of the Authority as security for all or any of the obligations to the Authority.

(m) To do all acts and things necessary or convenient to carry out the powers granted to it by this act or any other acts.

(n) To acquire, by assignment from the State or the Virginia Supplemental Retirement System, contracts which are not completed and which involve constructing, improving, equipping, furnishing, maintaining, and operating the structures, facilities, or undertakings similar to those designated herein as projects.

Except as otherwise provided by law, when projects are to be constructed, improved, equipped, furnished, maintained, repaired or operated for the use of any department of the Commonwealth, as hereinbefore listed in this section, no plans or specifications therefor shall be presented for quotations or bids until such plans and specifications shall have been submitted to and approved by any department of the Commonwealth having any jurisdiction over the projects, so that the project will conform to standards established by such departments.

§ 2.1-548.5. Revenue bonds generally.—The Authority is hereby authorized to provide for the issuance, at one time or from time to time, of revenue bonds of the Authority for the purpose of paying all or any part of the cost of any one or more projects or of any portion or portions thereof. The principal of and the interest on such bonds shall be payable solely from the funds provided in this article for such payment. Any bonds of the Authority issued pursuant to this

article shall not constitute a debt of the Commonwealth, or any political subdivision thereof other than the Authority, and shall so state on their face. Neither the members of the Authority nor any person executing such bonds shall be liable personally thereon by reason of the issuance thereof. The bonds of each issue shall be dated, shall bear interest at such rate or rates not exceeding six per centum per annum, shall mature at such time or times not exceeding forty years from their date or dates, as may be determined by the Authority, and may be made redeemable 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 prior to the issuance of the bonds. The Authority shall determine the form and the manner of execution of the bonds, including any interest coupons to be attached thereto, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest, which may be at any bank or trust company within or without the Commonwealth. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. The bonds may be issued in coupon or in registered form or both, as the Authority may determine, and provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, for the reconversion into coupon bonds of any bonds registered as to both principal and interest, and for the interchange of registered and coupon bonds. The Authority may sell such bonds in such manner, either at public or private sale, and for such price as it may determine will best effect the purposes of this chapter, but no such sale shall be made at a price so low as to require the payment of interest on the money received therefor at more than six per centum per annum computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values, excluding, however, from such computations the amount of any premium to be paid on redemption of any bonds prior to maturity.

The proceeds of the bonds of each issue shall be used solely for the payment of the cost of the project or projects for which such bonds shall have been issued, and shall be disbursed in such manner and under such restrictions, if any, as the Authority may provide in the resolution authorizing the issuance of such bonds or in the trust agreement hereinafter mentioned securing the same. If the proceeds of the bonds of any issue, by error of estimates or otherwise, shall be less than such cost, additional bonds may in like manner be issued to provide the amount of such deficit, and, unless otherwise provided in the resolution authorizing the issuance of such bonds or in the trust agreement securing the same, shall be deemed to be of the same issue and shall be entitled to payment from the same fund without preference or priority of the bonds first issued. If the proceeds of the bonds of any issue shall exceed such cost, the surplus shall be deposited to the credit of the sinking fund for such bonds, or may be applied to the payment of the cost of any additional project or projects.

Prior to the preparation of definitive bonds, the Authority may, under like restrictions, issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery. The Authority may also provide for the replacement of any bonds which shall become mutilated or shall be destroyed or lost. Bonds may be issued under the provisions of this chapter without obtaining the consent of any department, division, commission, board, bureau or agency of the Commonwealth, and without any other proceedings or the happening of any other conditions or things than those proceedings, conditions or things which are specifically required by this article.

§ 2.1-548.6. Trust agreement securing bonds.—In the discretion of the Authority any bonds issued under the provisions of this article may be secured by a trust agreement by and between the Authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the Commonwealth. Such trust agreement or the resolution providing for the issuance of such bonds may pledge or assign the revenues to be received, but shall not convey or mortgage any project or any part thereof. Such trust agreement or resolution providing for the issuance of such bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the Authority in relation to the acquisition of property and the acquisition, construction, establishment, improvement, extension, enlargement, equipment, maintenance, repair, operation and insurance of the project or projects in connection with which such bonds shall have been authorized, the rates and fees to be charged, the custody, safeguarding and application of all moneys, and conditions or limitations with respect to the issuance of additional bonds. It shall be lawful for any bank or trust company incorporated under

the laws of the Commonwealth which may act as depository of the proceeds of bonds or of revenues to furnish such indemnifying bonds or to pledge such securities as may be required by the Authority. Any such trust agreement may set forth the rights and remedies of the bondholders and of the trustee, and may restrict the individual right of action by bondholders. In addition to the foregoing, any such trust agreement or resolution may contain such other provisions as the Authority may deem reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of such trust agreement or resolution may be treated as a part of the cost of the operation of the project or projects.

§ 2.1-548.7. Rents, fees and charges for services or use of facilities; use and disposition of revenues.—The Authority is hereby authorized to fix, revise, charge, and collect rates, fees, and other charges for the use of or for the services and facilities furnished by each project and the different parts thereof, and to contract with any agency, Commission or political subdivision desiring the use of any part thereof, and to fix the terms, conditions, rents, and rates of charges for such use. Such rates, fees, and other charges shall be so fixed and adjusted so that revenues of the Authority, together with any other available funds, will be sufficient at all times to pay (i) the cost of maintaining, repairing and operating such project or projects and (ii) the principal of and the interest on such bonds as the same shall become due and payable, and to create reserves for such purposes. Such rates, fees, and other charges shall not be subject to supervision or regulation by any other commission, board, bureau, or agency of the Commonwealth. The revenues derived from the project or projects in connection with which the bonds shall have been issued, except such part thereof as may be necessary to pay such cost of maintenance, repair and operation and to provide such reserves therefor as may be provided for in the resolution authorizing the issuance of such bonds or in the trust agreement securing the same, shall be set aside at such regular intervals as may be provided in such resolution or such trust agreement in a sinking fund which is hereby pledged to, and charged with, the payment of the principal of and the interest on such bonds as the same shall become due, and the redemption price or the purchase price of bonds retired by call or purchase as therein provided. Such pledge shall be valid and binding from the time when the pledge is made, the revenues or other moneys so pledged and thereafter received by the Authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof. Neither the resolution nor any trust agreement by which a pledge is created need be filed or recorded except in the records of the Authority. The use and disposition of moneys to the credit of such sinking fund shall be subject to the provisions of the resolution authorizing the issuance of such bonds or of such trust agreement. Except as may otherwise be provided in such resolution or such trust agreement, such sinking fund shall be a fund for all such bonds without distinction or priority of one over another.

§ 2.1-548.8. Moneys received deemed trust funds.—All moneys received pursuant to the authority of this article, whether as proceeds from the sale of bonds or as revenues, shall be deemed to be trust funds to be held and applied solely as provided in this article. The resolution authorizing the bonds of any issue or the trust agreement securing such bonds shall provide that any officer with whom, or any bank or trust company with which, such moneys shall be deposited shall act a trustee of such moneys and shall hold and apply the same for the purposes hereof, subject to such regulations as this article and such resolution or trust agreement may provide.

§ 2.1-548.9. Proceedings by bondholder or trustee to enforce rights.—Any holder of bonds issued under the provisions of this article or any of the coupons appertaining thereto, and the trustee under any trust agreement, except to the extent the rights herein given may be restricted by such trust agreement or the resolution authorizing the issuance of such bonds, may, either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights under the laws of the Commonwealth or granted hereunder or under such trust agreement or resolution, and may enforce and compel the performance of all duties required by this article or by such trust agreement or resolution to be performed by the Authority or by any officer thereof, including the fixing, charging, and collecting of rates, fees, and other charges.

§ 2.1-548.10. Bonds made securities for investment and deposit.—Bonds issued by the Authority under the provisions of this article are hereby made securities 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

belonging to them. Such bonds are hereby made securities which may properly and legally be deposited with and received by any State or municipal officer or any agency or political subdivision of the Commonwealth for any purpose for which the deposit of bonds or obligations of the Commonwealth is now or may hereafter be authorized by law.

§ 2.1-548.11. Revenue refunding bonds; bonds for refunding and for cost of additional projects.—The Authority is hereby authorized to provide for the issuance of revenue refunding bonds of the Authority for the purpose of refunding any bonds then outstanding which shall have been issued under the provisions of this article, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such bonds, and, if deemed advisable by the Authority, for the additional purpose of constructing improvements, extensions, or enlargements of the project or projects in connection with which the bonds to be refunded shall have been issued. The Authority is further authorized to provide by resolution for the issuance of its revenue bonds for the combined purpose of (i) refunding any bonds then outstanding which shall have been issued under the provisions of this article, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such bonds, and (ii) paying all or any part of the cost of any additional project or projects or of any portion or portions thereof. The issuance of such bonds, the maturities and other details thereof, the rights of the holders thereof, and the rights, duties and obligations of the Authority in respect of the same shall be governed by the provisions of this article insofar as the same may be applicable.

§ 2.1-548.12. Contracts, leases and other arrangements.—A. In connection with the operation of a facility owned or controlled by the Authority, the Authority may enter into contracts, leases, and other arrangements with any person or persons (i) granting the privilege of using or improving the facility or any portion or facility thereof or space therein consistent with the purposes of this article; (ii) conferring the privilege of supplying goods, commodities, things, services, or facilities at the facility; and (iii) making available services to be furnished by the Authority or its agents at the facility.

In each case the Authority may establish the terms and conditions and fix the charges, rentals, or fee for the privilege or service, which shall be reasonable and uniform for the same class of privilege or service at each facility and shall be established with due regard to the property and improvements used and the expenses of operation to the Authority.

(b) Except as may be limited by the terms and conditions of any grant, loan, or agreement authorized by § 2.1-548.14, the Authority may by contract, lease, or other arrangements, upon a consideration fixed by it, grant to any qualified person, for a term not to exceed thirty years, the privilege of operating, as agent of the Authority or otherwise, any facility owned or controlled by the Authority; provided that no person shall be granted any authority to operate a facility other than as a public facility or to enter into any contracts, leases, or other arrangements in connection with the operation of the facility which the Authority might not have undertaken under subsection A. of this section.

§ 2.1-548.13. Resolutions, rules and regulations, etc.—The Authority is authorized to adopt, amend, and repeal such reasonable resolutions, rules, regulations, and orders as it shall deem necessary for the management, government, and use of any facility owned by it or under its control. No rule, regulation, order, or standard prescribed by the Authority shall be inconsistent with, or contrary to, any law of this State or act of the Congress of the United States or any regulation promulgated or standard established pursuant thereto. The Authority shall keep on file at the principal office of the Authority for public inspection a copy of all its rules and regulations.

§ 2.1-548.14. Grants or loans of public or private funds.—The Authority is authorized to accept, receive, receipt for, disburse, and expend federal and State moneys and other moneys, public or private, made available by grant or loan or both, to accomplish, in whole or in part, any of the purposes of this article. All federal moneys accepted under this section shall be accepted and expended by the Authority upon such terms and conditions as are prescribed by the United States and as are consistent with State law; and all State moneys accepted under this section shall be accepted and expended by the Authority upon such terms and conditions as are prescribed by the State.

§ 2.1-548.15. Exemptions from taxes or assessments; payments to county or city in lieu of taxes.—The exercise of the powers granted by this article will be in all respects for the benefit of the

people of the State, for the increase of their commerce and prosperity, and for the improvement of their health and living conditions, and as the operation and maintenance of airport projects by the Authority will constitute the performance of essential governmental functions, the Authority shall not be required to pay any taxes or assessments upon any project or any property acquired or used by the Authority under the provisions of this chapter or upon the income therefrom, and any bonds issued under the provisions of this chapter, their transfer and the income therefrom (including any profit made on the sale thereof) shall at all times be free from taxation within the State; provided that the exemption hereby granted shall not be construed to extend to persons conducting on the premises of a facility businesses for which local or State taxes would otherwise be required. When the bonds or other obligations of the Authority issued in connection with the acquisition, construction or improvement of a facility have been paid off, or at an earlier date if the Authority deems it financially feasible, the Authority shall enter into negotiations with the governing body of the political subdivision in which such facility is located and may agree with such governing body on sums to be paid to the county or city in lieu of taxes. In case of disagreement as to the value of the property an appeal shall lie to the State Corporation Commission whose determination of the value of such property and the ratio of assessed to true values of property in such political subdivision shall be final.

§ 2.1-548.16. *Governing body of Authority.*—The powers of the Authority shall be exercised by a governing body consisting of the members of the Authority acting as a Board. The Board shall meet and organize by electing from their number a president, a treasurer and a secretary. At the first regular meeting in odd-numbered year thereafter, they shall elect from their number a president, a treasurer and a secretary.

Six members shall constitute a quorum of the Board for the purpose of organizing the Authority and conducting the business thereof and for all other purposes, and all actions shall only be taken by vote of a majority of the members of the Authority, unless in any case the by-laws shall require a larger number.

The Board shall have full authority to manage the properties and business of the Authority, an to prescribe, amend, and repeal by-laws, rules, and regulations governing the manner in which the business of the Authority may be conducted, and the powers granted to it may be exercised and embodied. The Board may assign to the Department of General Services such powers and duties as it may deem proper.

§ 2.1-548.17. *Moneys of the Authority.*—All moneys of the Authority, from whatever source derived, shall be paid to the treasurer of the Authority. Said 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, and each of such special accounts shall be continuously secured by a pledge of direct obligations of the United States of America, of the Commonwealth, or of the county, having an aggregate market value, exclusive of accrued interest, at all times at least equal to the balance on deposit in such account. Such securities shall either be deposited with the treasurer or be held by a trustee or agent satisfactory to the Authority. All banks and trust companies are authorized to give such security for such deposits. The moneys in said accounts shall be paid out on the warrant or other order of the treasurer of the Authority, or of such other person or persons as the Authority may authorize to execute such warrants or orders. The Auditor of Public Accounts of the Commonwealth, and his legally authorized representatives are hereby authorized and empowered from time to time to examine the accounts and books of the Authority, including its receipts, disbursements, contracts, leases, sinking funds, investments, and any other matters relating to its finances, operation, and affairs.

§ 2.1-548.18. *Competition in award of contracts.*—If any project or any portion thereof or an improvement thereof shall be constructed, equipped or furnished pursuant to a contract and the estimated cost thereof exceeds five hundred dollars, such contract shall be awarded to the lowest responsible bidder after advertisement for bids. The Authority may make rules and regulations for the submission of bids and the construction, equipping, furnishing, or improvement of any project or portion thereof. No contract shall be entered into for construction, equipping, furnishing, or improvement of any project, or portion thereof, or for the purchase of materials, unless the contractor shall give an undertaking with a sufficient surety or sureties approved by the Authority, and in an amount fixed by the Authority, for the faithful performance of the contract; and such contract shall be accompanied by an additional bond for the protection of those who furnish labor and material or rental equipment for such amount and subject to the same terms and conditions as

established by the Authority. All construction contracts shall provide, among other things, that the person or corporation entering into such contract with the Authority will pay for all materials furnished, rental equipment used and services rendered for the performance of the contract, and that any person or corporation furnishing such materials, rental equipment or rendering such services may maintain an action to recover for the same against the obligor in the undertaking as though such person or corporation was named therein, provided the action is brought within one year after the time the cause of action accrued. The additional bond shall be conditioned upon the prompt payment of actual equipment rentals and shall not be conditioned upon or guarantee payment of equipment rentals, all or any part of which, directly or indirectly, apply on the purchase price of such equipment under the terms of a bailment lease or conditional sales contract or by any other arrangement by which title to the equipment will be transferred to the contractor and the rentals form any part of the consideration. Nothing in this section shall be construed to limit the power of the Authority to construct any project, or portion thereof, or any addition, betterment, or extension thereto, directly by the officers, agents, and employers of any agency or department of the Commonwealth.

Subject to the aforesaid, the Authority may (but without intending by this provision to limit any powers of such Authority) enter into and carry out such contracts, or establish or comply with such rules and regulations concerning labor and materials to rental equipment and other related matters in connection with any project, or portion thereof, as the Authority may deem desirable.

§ 2.1-548.19. Eminent domain; right of entry.—The Authority is hereby vested with the power of eminent domain and may exercise the same for the purposes set forth in this article. If the owner, lessee, or occupier of any property to be condemned or otherwise acquired shall refuse to remove his property therefrom or give up possession thereof, the Authority may proceed to obtain possession in any manner provided by law. The authorized agents and employees may enter upon any lands, waters, and premises in the State for the purpose of making surveys, soundings, drillings, and examinations as they may deem necessary or convenient for the purposes of this chapter, and such entry shall not be deemed a trespass, nor shall an entry for such purpose be deemed an entry under any condemnation proceedings which may be then pending. The Authority shall make reimbursement for any actual damage resulting to such lands, waters, and premises as a result of such activities.

§ 4-7. Functions, duties and powers of Board.—The functions, duties and powers of the ~~Board~~ Commission shall be as follows:

(a) To buy, import and sell alcoholic beverages other than beer, and to have alcoholic beverages in its possession for sale;

(b) To control the possession, sale, transportation and delivery of alcoholic beverages by the ~~Board~~ Commission ;

(c) To determine the localities within which government stores shall be established or operated and the location of such stores *upon approval of the Department of General Services* ;

(d) To make provision for the maintenance of warehouses for alcoholic beverages and to control the delivery of alcoholic beverages to and from such warehouses, and the keeping of the same therein;

(e) To lease, occupy and improve any land or building required for the purposes of this chapter *upon approval of the Department of General Services* ;

(f) With the consent of the Governor *and the Director of the Department of General Services* , to purchase or otherwise acquire title to any land or building required for the purposes of this chapter and to sell and convey the same by proper deed;

(g) To purchase, lease or acquire the use by any manner whatsoever of any plant or equipment which may be considered necessary or useful in carrying into effect the purposes of this chapter, including rectifying, blending and processing plants; the ~~Board~~ Commission is hereby empowered to purchase, build, lease, and operate distilleries and to manufacture alcoholic beverages if in its opinion the purposes of this chapter can be thereby promoted; *provided, however, that such purchase, lease or acquisition shall be subject to the approval of the Director of General Services;*

(h) To determine the nature, form and capacity of all packages to be used for containing alcoholic beverages to be kept or sold under this chapter, and to prescribe the form and contents of all labels and seals to be placed thereon;

(i) To appoint every officer, agent and employee required for its operations, with such compensation as may be provided in accordance with law for the purpose; assign them their official positions and titles, define their respective duties and powers, require them or any of them to give bonds payable to the Commonwealth, in such penalty as shall be fixed by the ~~Board~~ *Commission*, and engage the services of experts and of persons engaged in the practice of a profession; all salaries or remuneration in excess of one thousand dollars per annum shall first be approved by the Governor;

(j) To hold and conduct hearings, to issue subpoenas requiring the attendance of witnesses and the production of records, memoranda, papers and other documents before the ~~Board~~ *Commission* or any officer or agent thereof, and to administer oaths and to take testimony thereunder; in its discretion to authorize any member, officer or agent of the ~~Board~~ *Commission* to hold and conduct hearings, issue subpoenas, and administer oaths and to take testimony thereunder; and make summary decisions, subject to final decision by the ~~Board~~ *Commission* on application of any party aggrieved;

(k) To make a reasonable charge for preparing and furnishing statistical information and compilations to persons other than (1) officials, including court and police officials, of the State and of its subdivisions, if the information requested is for official use, and (2) persons who have a personal or legal interest in obtaining the information requested, if such information is not to be used for commercial or trade purposes;

(l) Generally to do all such things as may be deemed necessary or advisable by the ~~Board~~ *Commission* for the purpose of carrying into effect the provisions of this chapter.

§ 37.1-11. Duties relative to new construction.—The Board, subject to the approval of the Governor *and the Director of the Department of General Services*, shall select the site of any new State hospital and any land to be taken or purchased by the Commonwealth for the purposes of any new or existing State hospital. ~~If~~ *The Department of General Services* shall have charge of the construction of any new building at any such State hospital, shall determine the design thereof, and for this purpose may employ architects and other experts or hold competitions for plans and designs. ~~If~~ Any land or property is taken or purchased by the ~~Board~~, *title for this purpose* shall be taken in the name of the Commonwealth.

§ 37.1-12. Disposal of property.—If any building standing on property under the supervision and control of the Board is in such a state of dilapidation or disrepair as to be, in the opinion of the Board, dangerous to patients, employees of the Board or other persons frequenting such property, the Board may, with the approval of the Governor, ~~cause request of the Department of General Services that~~ such building to be torn down or razed. ~~For such purpose the Board may contract with any person on such terms as it deems expedient and may sell or otherwise dispose of the materials composing such building.~~

§ 37.1-34.1. State facilities to be established in certain localities.—(1) The Board is authorized to establish, construct, equip and operate State facilities within, or within a distance of twenty-five miles of, the territorial limits of the cities of Charlottesville, Danville, Fairfax, Norfolk, Richmond and Roanoke, which facilities shall be for the custody, care and treatment of mentally ill persons.

(2) No such facility shall, however, be established unless the land on which the same is to be located can be acquired without cost to the Commonwealth, *is approved by the Director of the Department of General Services*, and unless the site for such facility is approved by the Board and necessary funds have been provided.

§ 46.1-28. Location of principal office and branch offices.—The Commissioner shall maintain his principal office and may appoint such agents and maintain branch offices in such places in the State as he deems necessary properly to carry out the provisions of this title; *provided, however, that any purchase, lease or acquisition of such offices shall be subject to the approval of the Director of the Department of General Services.*

§ 51-111.24. Board as trustee of funds; investments; liability for losses.—(a) The Board shall be the trustee of the several funds created by this chapter and of those resulting from the abolition of the Virginia Retirement System, and shall have full power to invest and reinvest such funds, subject to the limitation that no investment shall be made except, upon the exercise of bona fide discretion, in securities permitted for the investment of reserves of domestic life insurance companies, and common and preferred stocks, limited to forty per centum of total trust fund investments based on cost, such as fiduciaries may invest in under the statutory and common law of the State. The Board may also, in its discretion, invest such trust funds in first deeds of trust on residential real property limited to twenty per centum of total trust fund investments based on cost. Subject to such limitations, the Board shall have full power to hold, purchase, sell, assign, transfer or dispose of, any of the securities or investments in which any of the funds created herein have been invested, as well as of the proceeds of such investments and any moneys belonging to such funds. The Board may also, in its discretion, invest such trust funds in bonds, notes and other evidences of debt of the school boards of the several counties, cities and towns of the State held in the Literary Fund evidencing loans made from such Literary Fund by the State Board of Education pursuant to the provisions of §§ 22-101 to 22-113 and the State Board of Education is hereby authorized to assign such bonds, notes and other evidences of debt to the Board whenever the Board desires to invest any of such trust funds therein and the State Board of Education consents thereto; and when such bonds, notes or other evidences of debt are so acquired by the Board the same may not be sold or otherwise disposed of except to a State governmental agency.

(b) [Repealed.]

(c) The Board shall have power to borrow money from time to time in such amounts as may be necessary to discharge current obligations under this chapter whenever in its judgment by so doing it would be more advantageous than by selling securities held by the retirement system. Any debt so incurred may be evidenced by notes duly authorized by resolution of the Board, but in no case is the due date of any note, notes or other evidence of debt to be beyond the end of the biennium succeeding the biennium in which such debt is incurred. Securities held by the retirement system may be hypothecated by the Board as security for the payment of any debt incurred under this section.

(d) The Board is specifically authorized, subject to and in conformity with the provisions of chapter 6 (§ 15.1-228 et seq.) of Title 15.1 of the Code of Virginia, as amended, to contract with the school boards of the several counties and cities to lend them money belonging to the several funds administered by the Board and in hand for investment, for capital projects for school purposes in such counties and cities.

(e) The Board upon appropriate resolution may loan or invest not more than the aggregate of five per centum of total trust fund investments based on cost and described in subsection (a) of this section in obligations not otherwise permitted under this section. In the event an obligation is determined subsequent to acquisition to be qualified as an investment under subsection (a) of this section, the Board may consider the investment as held under the applicable provisions of subsection (a) of this section and such investment shall no longer be considered as having been made under this subsection.

(f) The Board shall have the power, with the approval of the Governor, to invest in real estate to be held as a nonrevenue producing asset and used by the retirement system for administrative offices.

~~(g) The Board shall have the power, on request of the Governor or the General Assembly, to make investments in real estate in accordance with §§ 51-111.52:4 and 51-111.52:5 of the Code of Virginia. Total investment in such property under the authority of this paragraph shall not exceed one hundred million dollars.~~

(h) No member of the Board shall be personally liable for losses suffered by the retirement system on investments made under the authority of this section.

2. That §§ 51-111.52:4 and 51-111.52:5 of the Code of Virginia are repealed.

3. That the provisions of this act shall become effective on and after January one, nineteen hundred eighty.

