

Commonwealth, less any amounts set aside in sinking funds or the payment of such debt, shall exceed an amount equal to 1.15 times the average annual tax revenues of the Commonwealth derived from taxes on income and retail sales, as certified by the Auditor of Public Accounts, for the three fiscal years immediately preceding the incurring of such debt.

This subsection shall not be construed to pledge the full faith and credit of the Commonwealth to the payment of any obligation of the Commonwealth, or any institution, agency, or authority thereof, or to any refinancing or reissuance of such obligation which was incurred prior to the effective date of this subsection.

(d) Obligations to which section not applicable.

The restrictions of this section shall not apply to any obligation incurred by the Commonwealth or any institution, agency, or authority thereof if the full faith and credit of the Commonwealth is not pledged or committed to the payment of such obligation.

(e) *Obligations for transportation purposes to which section not applicable.*

For purposes of this section a pledge of tax revenues of the Commonwealth derived from taxes on retail sales at a rate not exceeding one-half of one per centum or a pledge of any taxes, licenses or revenues of the Commonwealth related to motor vehicles, aircraft, watercraft or fuels used therein, or any combination thereof, to the payment of any debt or other obligation incurred by the Commonwealth or any institution, agency or authority thereof for transportation purposes shall not be construed as a pledge of the full faith and credit of the Commonwealth.

No debt or other obligation secured by such a pledge shall be excluded under this subsection, if the amount thereof when added to outstanding debt and other obligations issued and excluded under this subsection during the three fiscal years immediately preceding the issuance of the debt or other obligation and the fiscal year in which the debt or other obligation is issued, plus the aggregate amount of outstanding debt issued under Section 9 (b) of this Article during such period, shall exceed twenty-five per centum of an amount equal to 1.15 times the average annual tax revenues of the Commonwealth derived from taxes on income and retail sales, as certified by the Auditor of Public Accounts, for the three fiscal years immediately preceding the issuance of such debt or other obligation.

No debt or other obligation secured by such a pledge shall be excluded under this subsection, if the amount thereof when added to the aggregate amount of all outstanding debt and other obligations so excluded, less any amounts set aside in sinking funds for the payment of such debt or other obligations, plus the aggregate amount of all outstanding debt and other obligations incurred under this Article which are included in the limitation set forth in the second paragraph of Section 9 (b) of this Article, shall exceed an amount equal to 1.15 times the average annual tax revenues of the Commonwealth derived from taxes on income and retail sales, as certified by the Auditor of Public Accounts, for the three fiscal years immediately preceding the incurring of such debt or other obligation.

Notwithstanding any other provision of this section to the contrary, any debt or other obligation secured by such a pledge shall have a prior claim on the taxes, licenses or revenues so pledged.

(f) *Section not constrained by Article IV, Section 15 or Article X, Section 7.*

Debt or other obligations issued in accordance with this section shall not be subject to the limitations of Article IV, Section 15 or Article X, Section 7 of this Constitution.

CHAPTER 672

HOUSE JOINT RESOLUTION NO. 328

Proposing an amendment to Section 8 of Article VIII of the Constitution of Virginia, relating to the Literary Fund.

Agreed to by the House of Delegates, February 3, 1989

Agreed to by the Senate, February 9, 1989

RESOLVED by the House of Delegates, the Senate of Virginia concurring, a majority of the members elected to each house agreeing, That the following amendment to the Constitution of Virginia be, and the same hereby is, proposed and referred to the General Assembly at its first regular session held after the next general election of members of the House of Delegates for its concurrence in conformity with the provisions of Section 1 of Article XII of the Constitution of Virginia, namely:

Amend Section 8 of Article VIII of the Constitution of Virginia as follows:

ARTICLE VIII.

EDUCATION.

Section 8. The Literary Fund.—The General Assembly shall set apart as a permanent and perpetual school fund the present Literary Fund; the proceeds of all public lands donated by Congress for free public school purposes, of all escheated property, of all waste and unappropriated lands, of all property accruing to the Commonwealth by forfeiture except as hereinafter provided, of all fines collected for offenses committed against the Commonwealth, and of the annual interest on the Literary Fund; and such other sums as the General Assembly may appropriate. But so long as the principal of the Fund totals as much as eighty million dollars, the General Assembly may set aside all or any part of additional moneys received into its principal for public school purposes, including the teachers retirement fund.

The General Assembly may provide by general law an exemption from this section for the proceeds from the sale of all property seized and forfeited to the Commonwealth for a violation of the criminal laws of this Commonwealth proscribing the manufacture, sale or distribution of a controlled substance or marijuana. Such proceeds shall be paid into the state treasury and shall be distributed by law for the purpose of promoting law enforcement.

The Literary Fund shall be held and administered by the Board of Education in such manner as may be provided by law. The General Assembly may authorize the Board to borrow other funds against assets of the Literary Fund as collateral, such borrowing not to involve the full faith and credit of the Commonwealth.

The principal of the Fund shall include assets of the Fund in other funds or authorities which are repayable to the Fund.

CHAPTER 673

SENATE JOINT RESOLUTION NO. 12

Proposing an amendment to Section 1 of Article X of the Constitution of Virginia, relating to taxable property.

Agreed to by the Senate, February 6, 1989

Agreed to by the House of Delegates, February 17, 1989

RESOLVED by the Senate, the House of Delegates concurring, a majority of the members elected to each house agreeing, That the following amendment to the Constitution of Virginia be, and the same hereby is, proposed and referred to the General Assembly at its first regular session held after the next general election of members of the House of Delegates for its concurrence in conformity with the provisions of Section 1 of Article XII of the Constitution of Virginia, namely: