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HOUSE BILL NO. 2404

House Amendments in [] - February 3, 2005

A *BILL to amend and reenact §§ 2.2-3705.6 and 2.2-3711 of the Code of Virginia, relating to the Virginia Freedom of Information Act; exemptions; local wireless service authorities.*

Patron Prior to Engrossment—Delegate Phillips

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:**1. That §§ 2.2-3705.6 and 2.2-3711 of the Code of Virginia are amended and reenacted as follows:**

§ 2.2-3705.6. Exclusions to application of chapter; proprietary records and trade secrets.

The following records are excluded from the provisions of this chapter but may be disclosed by the custodian in his discretion, except where such disclosure is prohibited by law:

1. Proprietary information gathered by or for the Virginia Port Authority as provided in § 62.1-132.4 or § 62.1-134.1.

2. Financial statements not publicly available filed with applications for industrial development financings in accordance with Chapter 49 (§ 15.2-4900 et seq.) of Title 15.2.

3. Confidential proprietary records, voluntarily provided by private business pursuant to a promise of confidentiality from the Department of Business Assistance, the Virginia Economic Development Partnership, the Virginia Tourism Authority, or local or regional industrial or economic development authorities or organizations, used by the Department, the Partnership, the Authority, or such entities for business, trade and tourism development; and memoranda, working papers or other records related to businesses that are considering locating or expanding in Virginia, prepared by such entities, where competition or bargaining is involved and where, if such records are made public, the financial interest of the governmental unit would be adversely affected.

4. Information that was filed as confidential under the Toxic Substances Information Act (§ 32.1-239 et seq.), as such Act existed prior to July 1, 1992.

5. Fisheries data that would permit identification of any person or vessel, except when required by court order as specified in § 28.2-204.

6. Confidential financial statements, balance sheets, trade secrets, and revenue and cost projections provided to the Department of Rail and Public Transportation, provided such information is exempt under the federal Freedom of Information Act or the federal Interstate Commerce Act or other laws administered by the Surface Transportation Board or the Federal Railroad Administration with respect to data provided in confidence to the Surface Transportation Board and the Federal Railroad Administration.

7. Confidential proprietary records related to inventory and sales, voluntarily provided by private energy suppliers to the Department of Mines, Minerals and Energy, used by that Department for energy contingency planning purposes or for developing consolidated statistical information on energy supplies.

8. Confidential proprietary information furnished to the Board of Medical Assistance Services or the Medicaid Prior Authorization Advisory Committee pursuant to Article 4 (§ 32.1-331.12 et seq.) of Chapter 10 of Title 32.1.

9. Proprietary, commercial or financial information, balance sheets, trade secrets, and revenue and cost projections provided by a private transportation business to the Virginia Department of Transportation and the Department of Rail and Public Transportation for the purpose of conducting transportation studies needed to obtain grants or other financial assistance under the Transportation Equity Act for the 21st Century (P.L. 105-178) for transportation projects, provided such information is exempt under the federal Freedom of Information Act or the federal Interstate Commerce Act or other laws administered by the Surface Transportation Board or the Federal Railroad Administration with respect to data provided in confidence to the Surface Transportation Board and the Federal Railroad Administration. However, the exemption provided by this subdivision shall not apply to any wholly owned subsidiary of a public body.

10. Confidential information designated as provided in subsection D of § 2.2-4342 as trade secrets or proprietary information by any person who has submitted to a public body an application for prequalification to bid on public construction projects in accordance with subsection B of § 2.2-4317.

11. Confidential proprietary records that are voluntarily provided by a private entity pursuant to a proposal filed with a public entity or an affected local jurisdiction under the Public-Private Transportation Act of 1995 (§ 56-556 et seq.) or the Public-Private Education Facilities and Infrastructure Act of 2002 (§ 56-575.1 et seq.), pursuant to a promise of confidentiality from the

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59 responsible public entity or affected local jurisdiction, used by the responsible public entity or affected
60 local jurisdiction for purposes related to the development of a qualifying transportation facility or
61 qualifying project; and memoranda, working papers or other records related to proposals filed under the
62 Public-Private Transportation Act of 1995 or the Public-Private Education Facilities and Infrastructure
63 Act of 2002, where, if such records were made public, the financial interest of the public or private
64 entity involved with such proposal or the process of competition or bargaining would be adversely
65 affected. In order for confidential proprietary information to be excluded from the provisions of this
66 chapter, the private entity shall (i) invoke such exclusion upon submission of the data or other materials
67 for which protection from disclosure is sought, (ii) identify the data or other materials for which
68 protection is sought, and (iii) state the reasons why protection is necessary. For the purposes of this
69 subdivision, the terms "affected local jurisdiction," "public entity" and "private entity" shall be defined
70 as they are defined in the Public-Private Transportation Act of 1995 or in the Public-Private Education
71 Facilities and Infrastructure Act of 2002. However, nothing in this subdivision shall be construed to
72 prohibit the release of procurement records as required by § 56-573.1 or § 56-575.16. Procurement
73 records shall not be interpreted to include proprietary, commercial or financial information, balance
74 sheets, financial statements, or trade secrets that may be provided by the private entity as evidence of its
75 qualifications.

76 12. Confidential proprietary information or trade secrets, not publicly available, provided by a private
77 person or entity to the Virginia Resources Authority or to a fund administered in connection with
78 financial assistance rendered or to be rendered by the Virginia Resources Authority where, if such
79 information were made public, the financial interest of the private person or entity would be adversely
80 affected, and, after June 30, 1997, where such information was provided pursuant to a promise of
81 confidentiality.

82 13. Confidential proprietary records that are provided by a franchisee under § 15.2-2108 to its
83 franchising authority pursuant to a promise of confidentiality from the franchising authority that relates
84 to the franchisee's potential provision of new services, adoption of new technologies or implementation
85 of improvements, where such new services, technologies or improvements have not been implemented
86 by the franchisee on a nonexperimental scale in the franchise area, and where, if such records were
87 made public, the competitive advantage or financial interests of the franchisee would be adversely
88 affected. In order for confidential proprietary information to be excluded from the provisions of this
89 chapter, the franchisee shall (i) invoke such exclusion upon submission of the data or other materials for
90 which protection from disclosure is sought, (ii) identify the data or other materials for which protection
91 is sought, and (iii) state the reason why protection is necessary.

92 14. Documents and other information of a proprietary nature furnished by a supplier of charitable
93 gaming supplies to the Department of Charitable Gaming pursuant to subsection E of § 18.2-340.34.

94 15. Records and reports related to Virginia apple producer sales provided to the Virginia State Apple
95 Board pursuant to §§ 3.1-622 and 3.1-624.

96 16. Trade secrets, as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.) of Title 59.1,
97 submitted by CMRS providers as defined in § 56-484.12 to the Wireless Carrier E-911 Cost Recovery
98 Subcommittee created pursuant to § 56-484.15, relating to the provision of wireless E-911 service.

99 17. Records submitted as a grant application, or accompanying a grant application, to the
100 Commonwealth Health Research Board pursuant to Chapter 22 (§ 23-277 et seq.) of Title 23 to the
101 extent such records contain proprietary business or research-related information produced or collected by
102 the applicant in the conduct of or as a result of study or research on medical, rehabilitative, scientific,
103 technical or scholarly issues, when such information has not been publicly released, published,
104 copyrighted or patented, if the disclosure of such information would be harmful to the competitive
105 position of the applicant.

106 18. *Confidential proprietary records and trade secrets developed by or for a local authority created*
107 *in accordance with the Virginia Wireless Service Authorities Act (§ 15.2-5431.1 et seq.) to provide*
108 *qualifying communications services as authorized by Article 5.1 (§ 56-484.7:1 et seq.) of Chapter 15 of*
109 *Title 56, [where disclosure of such information would be harmful to the competitive position of the*
110 *authority,] except that records required to be maintained in accordance with § 15.2-2160 shall be*
111 *released.*

112 § 2.2-3711. Closed meetings authorized for certain limited purposes.

113 A. Public bodies may hold closed meetings only for the following purposes:

114 1. Discussion, consideration or interviews of prospective candidates for employment; assignment,
115 appointment, promotion, performance, demotion, salaries, disciplining or resignation of specific public
116 officers, appointees or employees of any public body; and evaluation of performance of departments or
117 schools of public institutions of higher education where such evaluation will necessarily involve
118 discussion of the performance of specific individuals. Any teacher shall be permitted to be present
119 during a closed meeting in which there is a discussion or consideration of a disciplinary matter that
120 involves the teacher and some student and the student involved in the matter is present, provided the

121 teacher makes a written request to be present to the presiding officer of the appropriate board.

122 2. Discussion or consideration of admission or disciplinary matters or any other matters that would
123 involve the disclosure of information contained in a scholastic record concerning any student of any
124 Virginia public institution of higher education or any state school system. However, any such student,
125 legal counsel and, if the student is a minor, the student's parents or legal guardians shall be permitted to
126 be present during the taking of testimony or presentation of evidence at a closed meeting, if such
127 student, parents or guardians so request in writing and such request is submitted to the presiding officer
128 of the appropriate board.

129 3. Discussion or consideration of the acquisition of real property for a public purpose, or of the
130 disposition of publicly held real property, where discussion in an open meeting would adversely affect
131 the bargaining position or negotiating strategy of the public body.

132 4. The protection of the privacy of individuals in personal matters not related to public business.

133 5. Discussion concerning a prospective business or industry or the expansion of an existing business
134 or industry where no previous announcement has been made of the business' or industry's interest in
135 locating or expanding its facilities in the community.

136 6. Discussion or consideration of the investment of public funds where competition or bargaining is
137 involved, where, if made public initially, the financial interest of the governmental unit would be
138 adversely affected.

139 7. Consultation with legal counsel and briefings by staff members or consultants pertaining to actual
140 or probable litigation, where such consultation or briefing in open meeting would adversely affect the
141 negotiating or litigating posture of the public body; and consultation with legal counsel employed or
142 retained by a public body regarding specific legal matters requiring the provision of legal advice by such
143 counsel. For the purposes of this subdivision, "probable litigation" means litigation that has been
144 specifically threatened or on which the public body or its legal counsel has a reasonable basis to believe
145 will be commenced by or against a known party. Nothing in this subdivision shall be construed to
146 permit the closure of a meeting merely because an attorney representing the public body is in attendance
147 or is consulted on a matter.

148 8. In the case of boards of visitors of public institutions of higher education, discussion or
149 consideration of matters relating to gifts, bequests and fund-raising activities, and grants and contracts
150 for services or work to be performed by such institution. However, the terms and conditions of any such
151 gifts, bequests, grants and contracts made by a foreign government, a foreign legal entity or a foreign
152 person and accepted by a public institution of higher education in Virginia shall be subject to public
153 disclosure upon written request to the appropriate board of visitors. For the purpose of this subdivision,
154 (i) "foreign government" means any government other than the United States government or the
155 government of a state or a political subdivision thereof; (ii) "foreign legal entity" means any legal entity
156 created under the laws of the United States or of any state thereof if a majority of the ownership of the
157 stock of such legal entity is owned by foreign governments or foreign persons or if a majority of the
158 membership of any such entity is composed of foreign persons or foreign legal entities, or any legal
159 entity created under the laws of a foreign government; and (iii) "foreign person" means any individual
160 who is not a citizen or national of the United States or a trust territory or protectorate thereof.

161 9. In the case of the boards of trustees of the Virginia Museum of Fine Arts, the Virginia Museum
162 of Natural History, and The Science Museum of Virginia, discussion or consideration of matters relating
163 to specific gifts, bequests, and grants.

164 10. Discussion or consideration of honorary degrees or special awards.

165 11. Discussion or consideration of tests, examinations or other records excluded from this chapter
166 pursuant to subdivision 4 of § 2.2-3705.1.

167 12. Discussion, consideration or review by the appropriate House or Senate committees of possible
168 disciplinary action against a member arising out of the possible inadequacy of the disclosure statement
169 filed by the member, provided the member may request in writing that the committee meeting not be
170 conducted in a closed meeting.

171 13. Discussion of strategy with respect to the negotiation of a hazardous waste siting agreement or to
172 consider the terms, conditions, and provisions of a hazardous waste siting agreement if the governing
173 body in open meeting finds that an open meeting will have an adverse effect upon the negotiating
174 position of the governing body or the establishment of the terms, conditions and provisions of the siting
175 agreement, or both. All discussions with the applicant or its representatives may be conducted in a
176 closed meeting.

177 14. Discussion by the Governor and any economic advisory board reviewing forecasts of economic
178 activity and estimating general and nongeneral fund revenues.

179 15. Discussion or consideration of medical and mental records excluded from this chapter pursuant to
180 subdivision 1 of § 2.2-3705.5.

181 16. Deliberations of the State Lottery Board in a licensing appeal action conducted pursuant to

subsection D of § 58.1-4007 regarding the denial or revocation of a license of a lottery sales agent; and discussion, consideration or review of State Lottery Department matters related to proprietary lottery game information and studies or investigations exempted from disclosure under subdivision 6 of § 2.2-3705.3 and subdivision 11 of § 2.2-3705.7.

17. Those portions of meetings by local government crime commissions where the identity of, or information tending to identify, individuals providing information about crimes or criminal activities under a promise of anonymity is discussed or disclosed.

18. Discussion, consideration, review and deliberations by local community corrections resources boards regarding the placement in community diversion programs of individuals previously sentenced to state correctional facilities.

19. Those portions of meetings in which the Board of Corrections discusses or discloses the identity of, or information tending to identify, any prisoner who (i) provides information about crimes or criminal activities, (ii) renders assistance in preventing the escape of another prisoner or in the apprehension of an escaped prisoner, or (iii) voluntarily or at the instance of a prison official renders other extraordinary services, the disclosure of which is likely to jeopardize the prisoner's life or safety.

20. Discussion of plans to protect public safety as it relates to terrorist activity and briefings by staff members, legal counsel, or law-enforcement or emergency service officials concerning actions taken to respond to such activity or a related threat to public safety.

21. Discussion by the Board of the Virginia Retirement System, acting pursuant to § 51.1-124.30, or of any local retirement system, acting pursuant to § 51.1-803, or of the Rector and Visitors of the University of Virginia, acting pursuant to § 23-76.1, regarding the acquisition, holding or disposition of a security or other ownership interest in an entity, where such security or ownership interest is not traded on a governmentally regulated securities exchange, to the extent that such discussion (i) concerns confidential analyses prepared for the Rector and Visitors of the University of Virginia, prepared by the retirement system or provided to the retirement system under a promise of confidentiality, of the future value of such ownership interest or the future financial performance of the entity, and (ii) would have an adverse effect on the value of the investment to be acquired, held or disposed of by the retirement system or the Rector and Visitors of the University of Virginia. Nothing in this subdivision shall be construed to prevent the disclosure of information relating to the identity of any investment held, the amount invested or the present value of such investment.

22. Those portions of meetings in which individual child death cases are discussed by the State Child Fatality Review team established pursuant to § 32.1-283.1, and those portions of meetings in which individual child death cases are discussed by a regional or local child fatality review team established pursuant to § 32.1-283.2, and those portions of meetings in which individual death cases are discussed by family violence fatality review teams established pursuant to § 32.1-283.3.

23. Those portions of meetings of the University of Virginia Board of Visitors or the Eastern Virginia Medical School Board of Visitors, as the case may be, and those portions of meetings of any persons to whom management responsibilities for the University of Virginia Medical Center or Eastern Virginia Medical School, as the case may be, have been delegated, in which there is discussed proprietary, business-related information pertaining to the operations of the University of Virginia Medical Center or Eastern Virginia Medical School, as the case may be, including business development or marketing strategies and activities with existing or future joint venturers, partners, or other parties with whom the University of Virginia Medical Center or Eastern Virginia Medical School, as the case may be, has formed, or forms, any arrangement for the delivery of health care, if disclosure of such information would adversely affect the competitive position of the Medical Center or Eastern Virginia Medical School, as the case may be.

24. In the case of the Virginia Commonwealth University Health System Authority, discussion or consideration of any of the following: the acquisition or disposition of real or personal property where disclosure would adversely affect the bargaining position or negotiating strategy of the Authority; operational plans that could affect the value of such property, real or personal, owned or desirable for ownership by the Authority; matters relating to gifts, bequests and fund-raising activities; grants and contracts for services or work to be performed by the Authority; marketing or operational strategies where disclosure of such strategies would adversely affect the competitive position of the Authority; members of its medical and teaching staffs and qualifications for appointments thereto; and qualifications or evaluations of other employees.

25. Those portions of the meetings of the Intervention Program Committee within the Department of Health Professions to the extent such discussions identify any practitioner who may be, or who actually is, impaired pursuant to Chapter 25.1 (§ 54.1-2515 et seq.) of Title 54.1.

26. Meetings or portions of meetings of the Board of the Virginia College Savings Plan wherein personal information, as defined in § 2.2-3801, which has been provided to the Board or its employees by or on behalf of individuals who have requested information about, applied for, or entered into prepaid tuition contracts or savings trust account agreements pursuant to Chapter 4.9 (§ 23-38.75 et seq.)

of Title 23 is discussed.

27. Discussion or consideration, by the Wireless Carrier E-911 Cost Recovery Subcommittee created pursuant to § 56-484.15, of trade secrets, as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.) of Title 59.1, submitted by CMRS providers as defined in § 56-484.12, related to the provision of wireless E-911 service.

28. Those portions of disciplinary proceedings by any regulatory board within the Department of Professional and Occupational Regulation, Department of Health Professions, or the Board of Accountancy conducted pursuant to § 2.2-4019 or § 2.2-4020 during which the board deliberates to reach a decision or meetings of health regulatory boards or conference committees of such boards to consider settlement proposals in pending disciplinary actions or modifications to previously issued board orders as requested by either of the parties.

29. Discussion or consideration by a responsible public entity or an affected local jurisdiction, as those terms are defined in § 56-557, of confidential proprietary records excluded from this chapter pursuant to subdivision 11 of § 2.2-3705.6.

30. Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body.

31. Discussion or consideration by the Commonwealth Health Research Board of grant application records excluded from this chapter pursuant to subdivision 17 of § 2.2-3705.6.

32. Discussion or consideration by the Commitment Review Committee of records excluded from this chapter pursuant to subdivision 9 of § 2.2-3705.2 relating to individuals subject to commitment as sexually violent predators under Article 1.1 (§ 37.1-70.1 et seq.) of Chapter 2 of Title 37.1.

33. (Expires July 1, 2006) Discussion or consideration by the Virginia Commission on Military Bases of records excluded from this chapter pursuant to subdivision 8 of § 2.2-3705.2.

34. *Discussion or consideration by a local authority created in accordance with the Virginia Wireless Service Authorities Act (§ 15.2-5431.1 et seq.) of confidential proprietary records and trade secrets excluded from this chapter pursuant to subdivision 18 of § 2.2-3705.6.*

B. No resolution, ordinance, rule, contract, regulation or motion adopted, passed or agreed to in a closed meeting shall become effective unless the public body, following the meeting, reconvenes in open meeting and takes a vote of the membership on such resolution, ordinance, rule, contract, regulation or motion that shall have its substance reasonably identified in the open meeting.

C. Public officers improperly selected due to the failure of the public body to comply with the other provisions of this section shall be de facto officers and, as such, their official actions are valid until they obtain notice of the legal defect in their election.

D. Nothing in this section shall be construed to prevent the holding of conferences between two or more public bodies, or their representatives, but these conferences shall be subject to the same procedures for holding closed meetings as are applicable to any other public body.

E. This section shall not be construed to (i) require the disclosure of any contract between the Intervention Program Committee within the Department of Health Professions and an impaired practitioner entered into pursuant to Chapter 25.1 (§ 54.1-2515 et seq.) of Title 54.1 or (ii) require the board of directors of any authority created pursuant to the Industrial Development and Revenue Bond Act (§ 15.2-4900 et seq.), or any public body empowered to issue industrial revenue bonds by general or special law, to identify a business or industry to which subdivision A 5 applies. However, such business or industry shall be identified as a matter of public record at least 30 days prior to the actual date of the board's authorization of the sale or issuance of such bonds.