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SENATE BILL NO. 1340

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Counties, Cities and Towns
on February 16, 2007)

(Patron Prior to Substitute—Senator Puckett)

A BILL to amend and reenact §§ 15.2-6400 and 15.2-6407 of the Code of Virginia and to amend the Code of Virginia by adding in Title 15.2 a chapter numbered 69, consisting of a section numbered 15.2-6900, relating to regional development authorities and creating the Appalachian Region Interstate Compact and Commission.

Be it enacted by the General Assembly of Virginia:

1. That §§ 15.2-6400 and 15.2-6407 of the Code of Virginia are amended and reenacted, and that the Code of Virginia is amended by adding in Title 15.2 a chapter numbered 69, consisting of a section numbered 15.2-6900, as follows:

§ 15.2-6400. Definitions.

As used in this chapter the following words have the meanings indicated:

"Authority" means any regional industrial facility authority organized and existing pursuant to this chapter.

"Board" means the board of directors of an authority.

"Facility" means any structure or park, including real estate and improvements as applicable, for manufacturing, warehousing, distribution, office, or other industrial, residential, recreational or commercial purposes. A facility specifically includes structures or parks that are not owned by an authority or its member localities, but are subject to a cooperative arrangement pursuant to subdivision 13 of § 15.2-6405.

"Governing bodies" means the boards of supervisors of counties and the councils of cities and towns which are members of an authority.

"Member localities" means the counties, cities, and towns, or combination thereof, which are members of an authority.

"Region" means the area within the boundaries of Planning Districts 1, 2, 3, 4, 5, 6, 10, 11, 12, 13, 14, and 19, and any other locality within a jurisdiction participating in the Appalachian Region Interstate Compact as set forth in § 15.2-6900 or a similar agreement for interstate cooperation for economic and workforce development authorized by law.

§ 15.2-6407. Revenue sharing agreements.

Notwithstanding the requirements of Chapter 34 (§ 15.2-3400 et seq.) of this title, the member localities may agree to a revenue and economic growth-sharing arrangement with respect to tax revenues and other income and revenues generated by any facility owned by an authority. Such member localities may be located in any jurisdiction participating in the Appalachian Region Interstate Compact or a similar agreement for interstate cooperation for economic and workforce development authorized by law. The obligations of the parties to any such agreement shall not be construed to be debt within the meaning of Article VII, Section 10 of the Constitution of Virginia. Any such agreement shall be approved by a majority vote of the governing bodies of the member localities reaching such an agreement but shall not require any other approval.

CHAPTER 69.

APPALACHIAN REGION INTERSTATE COMPACT.

§ 15.2-6900. The Appalachian Region Interstate Compact (the Compact) is hereby created and entered into with all other jurisdictions legally joining therein in the form substantially as follows:

Article I. Short Title.

This act shall be known and may be cited as the Appalachian Region Interstate Compact.

Article II. Compact Established.

Pursuant to Article I, Section 10 of the Constitution of the United States, the signatories hereby provide a mechanism for the creation of one or more authorities for the purpose of developing one or more facilities to enhance the regional economy that shall constitute instrumentalities of the signatories.

For purposes of this chapter, "Appalachian Region" means the areas included in "region" as defined in § 15.2-6400 and § 403 of the Appalachian Regional Development Act of 1965, as amended (40 U.S.C. § 14102 (a) (1)).

Article III. Agreement.

The Commonwealth of Virginia may enter into agreement with one or more signatory states and, upon adoption of this compact, agree as follows:

1. To study, develop, and promote a plan for the design, construction, financing, and operation of interstate facilities of strategic interest to the signatory states;

2. To coordinate efforts to establish a common legal framework in all the signatory states to authorize and facilitate design, construction, financing, and operation of such facilities either as publicly operated facilities or through other structures authorized by law;

3. To advocate for federal and other public and private funding to support the establishment of interstate facilities of interest to all signatory states;

4. To make available to such interstate facilities funding and resources that are or may be appropriated and allocated for that purpose; and

5. To do all things necessary or convenient to facilitate and coordinate the economic and workforce development plans and programs of the Commonwealth of Virginia, and the other signatory states, to the extent such plans and programs are not inconsistent with federal law and the laws of the Commonwealth of Virginia or other signatory states.

Article IV. Compact Commission Established; Membership; Chairman; Meetings; and Report.

Each signatory state to the Compact shall establish a compact commission. In Virginia, the Appalachian Region Interstate Compact Commission (the Commission) shall be established as a regional instrumentality and agency of the Commonwealth of Virginia and the signatory states. The compact commissions of the signatory states shall be empowered to carry out the purposes of their respective Compacts.

The Appalachian Region Interstate Compact Commission shall consist of six members from the other signatory states to be appointed pursuant to the laws of the signatory states, and six members of the Virginia delegation to the Commission to be appointed as follows: two members to be appointed by the Senate Committee on Rules, and four members to be appointed by the Speaker of the House. Members of the Virginia delegation to the Compact Commission shall serve terms coincident with their terms of office if an elected state or local representative, and may be reappointed. The chairman of the Commission shall be elected by the members of the Commission from among its membership. The chairman shall serve for a term of two years, and the chairmanship shall rotate among the signatory states.

The Commission shall meet not less than twice annually; however, the Commission shall not meet more than once consecutively in the same state.

Article V. Powers and Duties of the Commission.

The Commission is vested with the powers of a body corporate, including the power to sue and be sued in its own name, plead and be impleaded, and adopt and use a common seal and alter the same as may be deemed expedient. In addition to the powers set forth elsewhere in this chapter, the Commission may:

1. Adopt bylaws, rules and regulations to carry out the provisions of this chapter;

2. Employ, either as regular employees or as independent contractors, consultants, engineers, architects, accountants, attorneys, financial experts, construction experts and personnel, superintendents, managers and other professional personnel, personnel, and agents as may be necessary in the judgment of the Commission, and fix their compensation;

3. Determine the locations of, develop, establish, construct, erect, repair, remodel, add to, extend, improve, equip, operate, regulate, and maintain facilities to the extent necessary or convenient to accomplish the purposes of the Compact;

4. Acquire, own, hold, lease, use, sell, encumber, transfer, or dispose of, in its own name, any real or personal property or interests therein;

5. Invest and reinvest funds of the Commission;

6. Enter into contracts of any kind, and execute all instruments necessary or convenient with respect to its carrying out the powers in this chapter to accomplish the purposes of the Compact;

7. Expend such funds as may be available to it for the purpose of developing facilities, including but not limited to (i) purchasing real estate; (ii) grading sites; (iii) improving, replacing, and extending water, sewer, natural gas, electrical, and other utility lines; (iv) constructing, rehabilitating, and expanding buildings; (v) constructing parking facilities; (vi) constructing access roads, streets, and rail lines; (vii) purchasing or leasing machinery and tools; and (viii) making any other improvements deemed necessary by the Commission to meet its objectives;

8. Fix and revise from time to time and charge and collect rates, rents, fees, or other charges for the use of facilities or for services rendered in connection with the facilities in accordance with applicable state and federal laws and as approved by the Commission;

9. Borrow money from any source for any valid purpose, including working capital for its operations, reserve funds, or interest; mortgage, pledge, or otherwise encumber the property or funds of the Commission; and contract with or engage the services of any person in connection with any financing, including financial institutions, issuers of letters of credit, or insurers;

10. Issue bonds the principal and interest on which are payable exclusively from the revenues and receipts of a specific facility in accordance with applicable laws;

11. Accept funds and property from the Commonwealth and other signatory jurisdictions, persons,

counties, cities, and towns and use the same for any of the purposes for which the Commission is created;

12. Apply for and accept grants or loans of money or other property from any federal agency for any of the purposes authorized in this chapter and expend or use the same in accordance with the directions and requirements attached thereto or imposed thereon by any such federal agency;

13. Make loans or grants to, and enter into cooperative arrangements with, any person, partnership, association, corporation, business or governmental entity in furtherance of the purposes of this chapter, for the purposes of promoting economic and workforce development, provided that such loans or grants shall be made only from revenues of the Commission that have not been pledged or assigned for the payment of any of the Commission's bonds, and to enter into such contracts, instruments, and agreements as may be expedient to provide for such loans, and any security therefor. The word "revenues" as used in this subdivision includes grants, loans, funds and property, as set out in subdivisions 11 and 12;

14. Enter into agreements with political subdivisions of the Commonwealth for joint or cooperative action in accordance with § 15.2-1300;

15. Exercise any additional powers granted to it by subsequent legislation; and

16. Do all things necessary or convenient to carry out the purposes of this chapter.

Article VI. Funding and Compensation.

The Commission may utilize for its operation and expenses (i) funds that may be generated by borrowing, gifts and grants, (ii) funds appropriated to it for such purposes by the General Assembly of Virginia and the legislatures of the other signatory states, (iii) federal funds, and (iv) revenues collected for the use of any facility approved by the Commission.

Members of the Virginia delegation to the Commission shall not receive compensation but shall be reimbursed for reasonable and necessary expenses incurred in the performance of their duties to the Commission as provided in § 2.2-2825. All such expenses shall be paid from existing appropriations, gifts, grants, federal funds, or other revenues collected for the use of any facility approved by the Commission. Members of the Commission representing other signatory states shall receive compensation and reimbursement of expenses incurred in the performance of their duties to the Commission in accordance with the applicable laws of the respective signatory states.

2. That the provisions of this act shall become effective upon the enactment of the Appalachian Region Interstate Compact authorized in Chapter 69 (§ 15.2-6900) of Title 15.2 of the Code of Virginia by the Commonwealth of Virginia and at least one other state in accordance with its terms and federal law.