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SENATE BILL NO. 284

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Finance
on February 8, 2012)

(Patron Prior to Substitute—Senator Herring)

A *BILL to amend and reenact §§ 2.2-2201 through 2.2-2204, 2.2-2213, 2.2-2215, 33.1-23.7, and 58.1-423, of the Code of Virginia and to amend the Code of Virginia by adding sections numbered 2.2-2203.1 through 2.2-2203.4, relating to the oversight of and funding for commercial space flight in the Commonwealth.*

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.2-2201 through 2.2-2204, 2.2-2213, 2.2-2215, 33.1-23.7, and 58.1-423, of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding sections numbered 2.2-2203.1 through 2.2-2203.4 as follows:

§ 2.2-2201. Short title; definitions.

A. This article shall be known and may be cited as the "Virginia Commercial Space Flight Authority Act."

B. As used in this article, unless the context requires a different meaning:

"Authority" means the Virginia Commercial Space Flight Authority.

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

"Project" means the construction, improvement, furnishing, maintenance, acquisition or operation of any facility or the provision for or funding of any activity that will further the purposes described in § 2.2-2202.

§ 2.2-2202. Declaration of public purpose; Authority created.

A. The General Assembly has determined that there exists in the Commonwealth a need to (i) disseminate knowledge pertaining to scientific and technological research and development among public and private entities; ~~including but not limited to knowledge in the area of commercial space flight;~~ (ii) *promote Science, Technology, Engineering, and Math (STEM) education;* and (iii) *promote industrial and economic development through the development and promotion of the commercial space flight industry.* In order to facilitate and coordinate scientific and technological research and development and to promote the industrial and economic development of the Commonwealth, which purposes are declared to be public purposes the advancement of these needs, there is hereby created the Virginia Commercial Space Flight Authority, with the powers and duties set forth in this article, as a public body corporate and as a political subdivision of the Commonwealth. The Authority is constituted as a public instrumentality exercising public functions, and the exercise by the Authority of the powers and duties conferred by this article shall be deemed and held to be the performance of an essential government function of the Commonwealth and a public purpose.

B. To achieve the objectives of subsection A, there is created a political subdivision of the Commonwealth to be known as the "Virginia Commercial Space Flight Authority" (the "Authority"). The Authority's exercise of powers conferred by this article shall be deemed to be the performance of an essential governmental function and matters of public necessity for which public moneys may be spent and private property acquired.

§ 2.2-2203. Board of directors; members and officers; Executive Director.

The Authority shall be governed by a board of directors consisting of ~~13~~ *nine* members, ~~four~~ *two* of whom shall be the President of the Center for Innovative Technology, the President of Old Dominion University, the Secretary of Commerce and Trade, and the Secretary of Technology, who shall serve as members of the Board for terms coincident with their terms of office *Secretary of Transportation and the Director of the Virginia Department of Aviation or their respective designees.* The remaining ~~nine~~ *seven* members shall be appointed by the Governor as follows: ~~four~~ *members* representing the commercial space flight industry; ~~two~~ *members* representing the telecommunications industry; ~~one~~ *member* representing the County of Accomack; ~~one~~ *member* representing the County of Northampton; and ~~one at-large member~~ *one member* representing the business community; ~~one member~~ *one member* representing the financial industry; ~~one member~~ *one member* representing the marketing industry; ~~one member~~ *one member* representing the legal industry; ~~one member~~ *one member* representing the research and development industry; and ~~two at-large members.~~ Of the members appointed by the Governor, ~~two~~ *one* shall be appointed for terms a term of one year, ~~three~~ *two* for terms of two years, and ~~three~~ *two* for terms of three years, and ~~two~~ *two* for terms of four years from the effective date of their appointment. Thereafter, the members of the Board shall be appointed for terms of ~~three~~ *four* years. All members of the Board appointed by the Governor shall be confirmed by each house of the General Assembly. Vacancies in the membership of the Board shall be filled by appointment for the unexpired portion of the term. Members of the Board shall be subject to

60 removal from office in like manner as are state, county, town and district officers under the provisions
61 of §§ 24.2-230 through 24.2-238. Immediately after appointment, the members of the Board shall enter
62 upon the performance of their duties. All members shall serve until their successors are appointed. Any
63 appointment to fill a vacancy shall be for the unexpired term. No member appointed by the Governor
64 shall be eligible to serve more than two consecutive terms; however, a member appointed to fill a
65 vacancy may serve two additional consecutive terms. Members shall serve at the pleasure of the
66 Governor and shall be confirmed by the General Assembly. Members of the Board shall receive
67 reimbursement for their expenses and shall be compensated at the rate provided in § 2.2-2813 for each
68 day spent on Board business.

69 The Board shall annually elect one of its members as chairman and another as vice-chairman; a
70 secretary, and a treasurer who need not be a member of the Board. The Board may also elect other
71 subordinate officers, who need not be members of the Board, as it deems proper and may also elect
72 from its membership, or appoint from the Authority's staff, a secretary and a treasurer and prescribe
73 their powers and duties. The chairman or, in his absence, the vice-chairman shall preside at all meetings
74 of the Board. In the absence of both the chairman and vice-chairman, the Board shall appoint a
75 chairman pro tempore, who shall preside at such meetings. ~~Seven~~ Five members shall constitute a
76 quorum for the transaction of the Authority's business, and no vacancy in the membership shall impair
77 the right of a quorum to exercise all the rights and perform all the duties of the Authority.

78 The members of the Board shall be entitled to reimbursement for their reasonable travel, meal and
79 lodging expenses incurred in attending the meetings of the Board or while otherwise engaged in the
80 discharge of their duties. Such expenses shall be paid out of the treasury of the Authority upon vouchers
81 signed by the chairman of the Board or by such other person designated by the Board for this purpose.

82 The Board may employ an Executive Director of the Authority, who shall serve at the pleasure of
83 the Board, to direct the day-to-day operations and activities of the Authority and carry out the powers
84 and duties conferred upon him by the Board, including powers and duties involving the exercise of
85 discretion. The Executive Director shall also exercise and perform such other powers and duties as may
86 be lawfully delegated to him and such powers and duties as may be conferred or imposed upon him by
87 law. The Executive Director's compensation from the Commonwealth shall be fixed by the Board in
88 accordance with law. Such compensation shall be established at a level that will enable the Authority to
89 attract and retain a capable Executive Director. The Executive Director and employees of the Authority
90 shall be compensated in the manner provided by the Board and shall not be subject to the provisions of
91 the Virginia Personnel Act (§ 2.2-2900 et seq.) of this title shall employ or retain such other agents or
92 employees subordinate to the Executive Director as may be necessary to carry out the powers and duties
93 of the Authority.

94 § 2.2-2203.1. Advisory Committee.

95 The Board shall form a nonvoting advisory committee to provide assistance and support to the
96 Authority on all matters, with the exception of the annual budget and personnel issues. The Advisory
97 Committee shall consist of six members as follows: two members representing the commercial aerospace
98 industry; two members representing the higher education community; the county administrator from the
99 County of Accomack; and the county executive from the County of Northampton. Advisory Committee
100 members shall be nominated by members of the Board and approved by the Board. Each member of the
101 Advisory Committee shall serve a term of four years, except for the county administrator from the
102 County of Accomack (or his designee) and the county executive from the County of Northampton (or his
103 designee), who shall be appointed for a term coincident with his term as county administrator or county
104 executive, respectively.

105 § 2.2-2203.2. Planning.

106 The Board shall initiate and further plan for the development of commercial space flight in the
107 Commonwealth and, to this end, shall keep informed as to the present requirements and likely future
108 needs of any and all space flight facilities located within the Commonwealth or operated by the
109 Authority. The Board shall submit a strategic plan to the Governor and the General Assembly no later
110 than December 1, 2012, and such plan shall be updated every five years thereafter.

111 § 2.2-2203.3. Employees; employment; personnel rules.

112 A. Employees of the Authority shall be employed on such terms and conditions as established by the
113 Board. The Board shall develop and adopt personnel rules, policies, and procedures to give its
114 employees grievance rights, ensure that employment decisions shall be based upon the merit and fitness
115 of applicants, and prohibit discrimination because of race, religion, color, sex, or national origin.

116 B. Any employee of the Virginia Commercial Space Flight Authority who is a member of any plan
117 providing health insurance coverage pursuant to Chapter 28 (§ 2.2-2800 et seq.) of Title 2.2 of the Code
118 of Virginia shall continue to be a member of such health insurance plan under the same terms and
119 conditions. Notwithstanding subsection A of § 2.2-2818 of the Code of Virginia, the costs of providing
120 health insurance coverage to such employees who elect to continue to be members of the state
121 employees' health insurance plan shall be paid by the Authority. Alternatively, an employee may elect to

become a member of any health insurance plan established by the Authority. The Authority is authorized to (i) establish a health insurance plan for the benefit of its employees and (ii) enter into agreements with the Department of Human Resource Management providing for the coverage of its employees under the state employees' health insurance plan, provided that such agreements require the Authority to pay the costs of providing health insurance coverage under such plan.

C. Any retired employee of the Virginia Commercial Space Flight Authority shall be eligible to receive the health insurance credit set forth in § 51.1-1400 of the Code of Virginia, provided the retired employee meets the eligibility criteria set forth in that section.

D. The Authority is hereby authorized to establish one or more retirement plans for the benefit of its employees (the "Authority retirement plan"). For purposes of such plans, the provisions of § 51.1-126.4 of the Code of Virginia shall apply, mutatis mutandis. Any Authority employee who is a member of the Virginia Retirement System or other retirement plan as authorized by Article 4 (§ 51.1-125 et seq.) of Chapter 1 of Title 51.1 of the Code of Virginia (the "statutory optional retirement plan") at the time the Authority retirement plan becomes effective shall continue to be a member of the Virginia Retirement System or the statutory optional retirement plan under the same terms and conditions, unless such employee elects to become a member of the Authority retirement plan.

The following rules shall apply:

1. The Authority shall collect and pay all employee and employer contributions to the Virginia Retirement System or the statutory optional retirement plan for retirement and group life insurance in accordance with the provisions of Chapter 1 (§ 51.1-124.1 et seq.) of Title 51.1 of the Code of Virginia for any employee who elects to remain a member of the Virginia Retirement System or a statutory optional retirement plan.

2. Employees who elect to become members of the Authority retirement plan shall be given full credit for their creditable service as defined in § 51.1-124.3 of the Code of Virginia, and vesting and benefit accrual under the Authority retirement plan. For any such employee, employment with the Authority shall be treated as employment with any nonparticipating employer for purposes of the Virginia Retirement System or any statutory optional retirement plan.

3. For employees who elect to become members of the Authority retirement plan, the Virginia Retirement System or the statutory optional retirement plan, as applicable, shall transfer to the Authority retirement plan assets equal to the actuarially determined present value of the accrued basic benefits for such employees as of the transfer date. For purposes hereof, "basic benefits" means the benefits accrued under the Virginia Retirement System or under the statutory optional retirement plan based on creditable service and average final compensation as defined in § 51.1-124.3 of the Code of Virginia. The actuarial present value shall be determined by using the same actuarial factors and assumptions used in determining the funding needs of the Virginia Retirement System or the statutory optional retirement plan so that the transfer of assets to the Authority retirement plan will have no effect on the funded status and financial stability of the Virginia Retirement System or the statutory optional retirement plan. The Authority shall reimburse the Virginia Retirement System for the cost of actuarial services necessary to determine the present value of the accrued basic benefit of employees who transfer to an Authority retirement plan.

4. The Authority may provide that employees of the Authority who are eligible to participate in any deferred compensation plan sponsored by the Authority shall be enrolled automatically in such plan, unless such employee elects, in a manner prescribed by the Board of the Authority, not to participate. The amount of the deferral under the automatic enrollment and the group of employees to which the automatic enrollment shall apply shall be set by the Board, provided, however, that such employees are provided the opportunity to increase or decrease the amount of the deferral in accordance with the Internal Revenue Code of 1986, as amended.

E. The Authority is hereby authorized to establish a plan providing short-term disability and long-term disability benefits for its employees.

§ 2.2-2203.4. Trust for postemployment benefits authorized; administration.

A. The Authority is hereby authorized to establish and maintain a trust or equivalent arrangement for the purpose of accumulating and investing assets to fund postemployment benefits other than pensions, as defined herein. Such trust or equivalent arrangement shall be irrevocable. The assets of such trust or similar arrangement (i) shall be dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan or programs providing postemployment benefits other than pensions and (ii) shall be exempt from taxation and execution, attachment, garnishment, or any other process against the Authority or a retiree or beneficiary. The funds of the trust or similar arrangement shall be deemed separate and independent trust funds, shall be segregated from all other funds of the Authority, and shall be invested and administered solely in the interests of the active or former employees (and their dependents or beneficiaries) entitled to postemployment benefits other than pensions.

183 *B. The Authority may make appropriations to any such trust or equivalent arrangement, and the*
184 *Authority may require active and former employees covered by a postemployment benefit program to*
185 *contribute to the trust or equivalent arrangement through payments or deductions from their wages,*
186 *salaries, or pensions.*

187 *C. Nothing in this section shall be construed to inhibit the Authority's right to revise or discontinue*
188 *its plans or programs providing such postemployment benefits other than pensions for its active and*
189 *former officers and employees as it may deem necessary. If all plans or programs providing such*
190 *postemployment benefits other than pensions for which the trust or equivalent arrangement is*
191 *established are repealed or terminated by the Authority, then there shall be no continuing responsibility*
192 *of the Authority to continue to make appropriations to such trust or equivalent arrangement, and the*
193 *assets of such trust or equivalent arrangement shall be used to provide any benefits continuing to be*
194 *due to active or former employees (and their dependents or beneficiaries) under such plans or*
195 *programs. If there are no active or former employees (or dependents or beneficiaries) due a benefit*
196 *under any plan or program providing such postemployment benefits other than pensions for which the*
197 *trust or equivalent arrangement was established, then any remaining assets may revert to the Authority.*

198 *D. Postemployment benefits other than pensions shall be defined by the Authority pursuant to*
199 *applicable accounting standards and law. Such benefits may include, but are not limited to, medical,*
200 *prescription drug, dental, vision, hearing, life, or accident insurance (not provided through a pension*
201 *plan), long-term care benefits, and long-term disability benefits (not covered under a pension plan)*
202 *provided to individuals who have terminated their service and to the dependents of such individuals, and*
203 *may be provided by purchasing insurance, by a program of self-insurance, or by a combination of both.*
204 *However, postemployment benefits other than pensions shall not include defined benefit pension plans*
205 *for retirees and eligible dependents of retirees, termination benefits, or other pension benefits. Such*
206 *postemployment benefits other than pensions may be provided to the officers and employees or to their*
207 *dependents, estates, or designated beneficiaries. Any benefits arising from any postemployment benefits*
208 *other than pension programs shall be clearly defined and strictly construed.*

209 *E. Notwithstanding any other provision of law, the moneys and other property comprising the trust*
210 *or equivalent arrangement established hereunder shall be invested, reinvested, and managed by the*
211 *Authority or the trust company or bank having powers of a trust company within or without the*
212 *Commonwealth that is selected by the Board to act as a trustee for the trust or equivalent arrangement*
213 *with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent*
214 *person acting in a like capacity and familiar with such matters would use in the conduct of an*
215 *enterprise of like character and with the same aims. Such investments shall be diversified so as to*
216 *minimize the risk of large losses unless under the circumstances it is clearly prudent not to do so. Such*
217 *investments shall not be limited by Chapter 45 (§ 2.2-4500 et seq.).*

218 *§ 2.2-2204. Powers of the Authority.*

219 *The Authority is granted all powers necessary or convenient for the carrying out of its statutory*
220 *purposes, including, but not limited to, the power to:*

221 *1. Sue and be sued, implead and be impleaded, complain and defend in all courts;*

222 *2. Adopt, use, and alter at will a common seal;*

223 *3. Acquire any project and property, real, personal or mixed, tangible or intangible, or any interest*
224 *therein, by purchase, gift or devise and to sell, lease (whether as lessor or lessee), transfer, convey or*
225 *dispose of any project or property, real, personal or mixed, tangible or intangible or any interest therein,*
226 *at any time acquired or held by the Authority on such terms and conditions as may be determined by*
227 *the Board;*

228 *4. Plan, develop, undertake, carry out, construct, equip, improve, rehabilitate, repair, furnish, maintain*
229 *and operate projects;*

230 *5. Adopt ~~bylaws for the management and regulation of its affairs an annual budget for the~~*
231 *Authority's capital improvements and operations;*

232 *6. Adopt, alter, and repeal bylaws, rules, and regulations governing the manner in which its business*
233 *shall be transacted and the manner in which the power of the Authority shall be exercised and its duties*
234 *performed. Such bylaws, rules, and regulations may provide for such committees and their functions as*
235 *the Authority may deem necessary and expedient. Such bylaws, rules, and regulations shall be exempt*
236 *from the Administrative Process Act (§ 2.2-4000 et seq.);*

237 *67. Fix, alter, charge, and collect rates, rentals, fees, and other charges for the use of projects of, the*
238 *sale of products of, or services rendered by the Authority at rates to be determined by it for the purpose*
239 *of providing for the payment of the expenses of the Authority; the planning, development, construction,*
240 *improvement, rehabilitation, repair, furnishing, maintenance, and operation of its projects and properties;*
241 *the payment of the costs accomplishing its purposes set forth in § 2.2-2202; the payment of the principal*
242 *of and interest on its obligations; and the creation of reserves for such purposes, for other purposes of*
243 *the Authority and to pay the cost of maintaining, repairing and operating any project and fulfilling the*
244 *terms and provisions of any agreements made with the purchasers or holders of any such obligations*

and any other purposes as set forth in this article;

78. Borrow money, make and issue bonds including bonds as the Authority may determine to issue for the purpose of accomplishing the purposes set forth in § 2.2-2202 or for refunding bonds previously issued by the Authority, whether such outstanding bonds have matured or are then subject to redemption, or any combination of such purposes; secure the payment of all bonds, or any part thereof, by pledge, assignment or deed of trust of all or any of its revenues, rentals, and receipts or of any project or property, real, personal or mixed, tangible or intangible, or any rights and interest therein; 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. *However, the total principal amount of bonds, including refunding bonds, outstanding at any time shall not exceed \$50 million, excluding from such limit any revenue bonds. The Authority shall not issue any bonds, other than revenue bonds, which are not specifically authorized by a bill or resolution passed by a majority vote of those elected to each house of the General Assembly;*

89. Make and enter into all contracts and agreements necessary or incidental to the performance of its duties, the furtherance of its purposes, and the execution of its powers under this article, including interstate compacts, *which have been authorized by the General Assembly and where necessary consented to by the United States Congress*, and agreements with any person or federal agency;

910. Employ, in its discretion, consultants, attorneys, architects, engineers, accountants, financial experts, investment bankers, superintendents, managers and such other employees and agents as may be necessary, and to fix their compensation to be payable from funds made available to the Authority;

1011. Receive and accept from any federal or private agency, foundation, corporation, association or person grants, donations of money, real or personal property for the benefit of the Authority, and to receive and accept from the Commonwealth or any state, and any municipality, county or other political subdivision thereof and from any other source, aid or contributions of either money, property, or other things of value, to be held, used and applied for the purposes for which such grants and contributions may be made;

1112. Render advice and assistance, and to provide services, to institutions of higher education ~~including, but not limited to, Old Dominion University~~, and to other persons providing services or facilities for scientific and technological research or graduate education, provided that credit toward a degree, certificate or diploma shall be granted only if such education is provided in conjunction with an institution of higher education authorized to operate in Virginia;

1213. Develop, undertake and provide programs, alone or in conjunction with any person or federal agency, for scientific and technological research, technology management, continuing education and in-service training; however, credit towards a degree, certificate or diploma shall be granted only if such education is provided in conjunction with an institution of higher education authorized to operate in Virginia; foster the utilization of scientific and technological research, information discoveries and data and obtain patents, copyrights and trademarks thereon; coordinate the scientific and technological research efforts of public institutions and private industry and collect and maintain data on the development and utilization of scientific and technological research capabilities;

1314. Pledge or otherwise encumber all or any of the revenues or receipts of the Authority as security for all or any of the obligations of the Authority; *and*

14. ~~Appoint an industry advisory board to advise the Authority on issues related to the performance of its duties, the furtherance of its purposes and the execution of its powers under this article. The Authority shall have full discretion in determining the number and qualifications of members it appoints to the industry advisory board, and whether such members shall be compensated from the funds made available to the Authority; and~~

15. Do all acts and things necessary or convenient to carry out the powers granted to it by law.

§ 2.2-2213. Forms of accounts and records; audit; annual report.

The accounts and records of the Authority showing the receipt and disbursement of funds from whatever source derived, shall be in a form prescribed by ~~the Auditor of Public Accounts~~ *governmental generally accepted accounting principles. The Auditor of Public Accounts or his legally authorized representatives, shall annually examine the accounts and books of the Authority. Such accounts shall correspond as nearly as possible to the accounts and records for such matters maintained by corporate enterprises.*

The accounts of the Authority shall be audited annually by a certified public accounting firm selected by the Auditor of Public Accounts with the assistance of the Authority through a process of competitive negotiation. The cost of such audit and review shall be borne by the Authority.

The Authority shall submit an annual report to the Governor and General Assembly on or before November 1 of each year. Such report shall contain the audited annual financial statements of the Authority for the year ending the preceding June 30.

306 § 2.2-2215. Powers not restrictive; exemptions from Public Procurement Act and the Virginia
307 Personnel Act.

308 The provisions of the Virginia Personnel Act (§ 2.2-2900 et seq.) and the Virginia Public
309 Procurement Act (§ 2.2-4300 et seq.) of this title shall not apply to the Authority in the exercise of any
310 power conferred under this article.

311 *The Authority shall have the power to perform any act or carry out any function not inconsistent*
312 *with state law, whether included in the provisions of this article, which may be, or may tend to be,*
313 *useful in carrying out the provisions of this article. The provisions of the Virginia Public Procurement*
314 *Act (§ 2.2-4300 et seq.) shall not apply to the Authority in the exercise of any of its powers provided*
315 *that the Board adopt procedures to ensure fairness and competitiveness in the procurement of goods*
316 *and services and the administration of its capital outlay plan. The provisions of the Virginia Personnel*
317 *Act (§ 2.2-2900 et seq.) shall not apply to the Authority in the exercise of any of its powers. The*
318 *Authority shall be exempt from the provisions of §§ 2.2-1124, 2.2-1131.1, 2.2-1136, 2.2-1149, 2.2-1153,*
319 *2.2-1154, and 2.2-1156, provided that (i) the Authority adopts and the Board approves regulations*
320 *governing the acquisition, lease, or sale of surplus and real property consistent with the provisions of*
321 *the above-referenced sections and (ii) any acquisition, lease, or sale of real property valued in excess of*
322 *\$20 million shall be approved by the Governor.*

323 § 33.1-23.7. Definitions.

324 As used in this article, whether in capitalized or uncapitalized form, each of the following terms has
325 the meaning given it in this section, unless the context requires a different meaning to be consistent with
326 the manifest intention of the General Assembly:

327 "Bank" means the Virginia Transportation Infrastructure Bank created in § 33.1-23.8.

328 "Board" means the Commonwealth Transportation Board.

329 "Cost," as applied to any project financed under the provisions of this article, means the total of all
330 costs including, but not limited to, the costs of planning, design, right-of-way acquisition, engineering,
331 and construction incurred by an Eligible Borrower or other Project Sponsor as reasonable and necessary
332 for carrying out all works and undertakings necessary or incident to the accomplishment of any project.
333 The term also includes capitalized interest, reasonably required reserve funds, and financing, credit
334 enhancement, and issuance costs.

335 "Credit enhancements" means surety bonds, insurance policies, letters of credit, guarantees, and other
336 forms of collateral or security.

337 "Creditworthiness" means attributes such as revenue stability, debt service coverage, reserves, and
338 other factors commonly considered in assessing the strength of the security for indebtedness.

339 "Eligible Borrower" means any (i) Private Entity; (ii) Governmental Entity; (iii) instrumentality,
340 corporation, or entity established by any of the foregoing pursuant to § 33.1-23.11; or (iv) combination
341 of two or more of the foregoing.

342 "Finance" and any variation of the term, when used in connection with a cost or a project, includes
343 both the initial financing and any refinancing of the cost or project and any variation of such terms.

344 "Governmental Entity" means any (i) Locality; (ii) local, regional, state, or federal entity;
345 transportation authority, planning district, commission, or political subdivision created by the General
346 Assembly or pursuant to the Constitution and laws of the Commonwealth; or public transportation entity
347 owned, operated, or controlled by one or more local entities; (iii) entity established by interstate
348 compact; (iv) instrumentality, corporation, or entity established by any of the foregoing pursuant to
349 § 33.1-23.11; or (v) any combination of two or more of the foregoing.

350 "Grant" means a transfer of moneys or property that does not impose any obligation or condition on
351 the grantee to repay any amount to the transferor other than in connection with assuring that the
352 transferred moneys or property will be spent or used in accordance with the governmental purpose of
353 the transfer. Such term includes, without limitation, direct cash payments made to pay or reimburse all
354 or a portion of interest payments made by a grantee on a debt obligation. As provided in §§ 33.1-23.8
355 and 33.1-23.9, only Governmental Entities may receive grants of moneys or property held in or for the
356 credit of the Bank.

357 "Loan" means an obligation subject to repayment that is provided by the Bank to an Eligible
358 Borrower to finance all or a part of the eligible cost of a project incurred by the Eligible Borrower or
359 other Project Sponsor. A loan may be disbursed (i) in anticipation of reimbursement (including an
360 advance or draw under a credit enhancement instrument), (ii) as direct payment of eligible costs, or (iii)
361 to redeem or defease a prior obligation incurred by the Eligible Borrower or other Project Sponsor to
362 finance the eligible costs of a project.

363 "Locality" means any county, city, or town in the Commonwealth.

364 "Management agreement" means the memorandum of understanding or interagency agreement among
365 the Manager, the Secretary of Finance and the Board as authorized under subsection B of § 33.1-23.8.

366 "Manager" means the Virginia Resources Authority serving as the manager, administrator and trustee
367 of funds disbursed from the Bank in accordance with the provisions of this article and the management

agreement.

"Other financial assistance" means, but is not limited to, grants, capital or debt reserves for bonds or debt instrument financing, provision of letters of credit and other forms of credit enhancement, and other lawful forms of financing and methods of leveraging funds that are approved by the Manager.

"Private Entity" means any private or nongovernmental entity that has executed an interim or comprehensive agreement to develop and construct a transportation infrastructure project pursuant to the Public-Private Transportation Act of 1995 (§ 56-556 et seq.).

"Project" means (i) the construction, reconstruction, rehabilitation, or replacement of any interstate, state highway, toll road, tunnel, local road, or bridge; or (ii) the construction, reconstruction, rehabilitation, or replacement of any (a) mass transit, (b) commuter, passenger, or freight rail, (c) port, or (d) airport, or (e) commercial space flight facility; or the acquisition of any rolling stock, vehicle, or equipment to be used therewith.

"Project obligation" means any bond, note, debenture, interim certificate, grant or revenue anticipation note, lease or lease-purchase or installment sales agreement, or credit enhancements issued, incurred, or entered into by an Eligible Borrower to evidence a loan, or any financing agreements, reimbursement agreements, guarantees, or other evidences of an obligation of an Eligible Borrower or other Project Sponsor to pay or guarantee a loan.

"Project Sponsor" means any Private Entity or Governmental Entity that is involved in the planning, design, right-of-way acquisition, engineering, construction, maintenance or financing of a project.

"Reliable repayment source" means any means by which an Eligible Borrower or other Project Sponsor generates funds that are dedicated to the purpose of retiring a project obligation.

"Substantial project completion" means the opening of a project for vehicular or passenger traffic or the handling of cargo and freight.

§ 58.1-423. Income tax paid by commercial spaceflight entities.

A. Beginning July 1, 2011, and for fiscal years 2012, 2013, 2014, and 2015, the portion of the Virginia income tax net revenue generated by qualified corporations or limited liability companies that is attributable to the sale of commercial human spaceflights or commercial spaceflight training (regardless of point of sale, or where space flight takes place), or is incidental to the sale of commercial human spaceflights, shall be transferred to the Virginia Commercial Space Flight Authority, established pursuant to Article 2 (§ 2.2-2201 et seq.) of Chapter 22 of Title 2.2. The Tax Commissioner shall make a written certification to the Comptroller within 15 days of the close of each calendar quarter providing an estimate of the portion of the Virginia income tax net revenue generated during the calendar quarter by the qualified corporations or limited liability companies that is attributable to the sale of commercial human spaceflights or commercial spaceflight training or is incidental to the sale of commercial human spaceflights. Not later than 30 days after the close of each quarter, the Comptroller shall transfer to the Virginia Commercial Space Flight Authority an amount from the general fund that is equal to the estimate provided by the Tax Commissioner.

B. For purposes of this section, a qualified corporation or limited liability company is a corporation or limited liability company that engages in commercial human spaceflights or commercial spaceflight training.

2. That all appointments to the Board of the Virginia Commercial Space Flight Authority shall expire on July 1, 2012. New appointments shall be made to the Board pursuant to the provisions of § 2.2-2203 of the Code of Virginia.

3. That the Virginia Commercial Space Flight Authority created under § 2.2-2202 of the Code of Virginia shall issue a written notice to its employees regarding the Authority's status. The date upon which such written notice is issued shall be referred to herein as the "option date." Each employee may, by written request made within the 180 days immediately following the option date, elect not to become employed by the Authority. Any employee of the Virginia Commercial Space Flight Authority who (i) elects not to become employed by the Authority and who is not reemployed by any other department, institution, board, commission, or agency of the Commonwealth; (ii) is not offered the opportunity to remain employed by the Authority; or (iii) is not offered a position with the Authority for which the employee is qualified or is offered a position that requires relocation or a reduction in salary, shall be eligible for the severance benefits conferred by the provisions of the Workforce Transition Act (§ 2.2-3200 et seq.) of the Code of Virginia. Any employee who accepts employment with the Authority shall not be considered to be involuntarily separated from state employment and shall not be eligible for the severance benefits conferred by the Workforce Transition Act.

4. That the provisions of this act shall not become effective unless an appropriation of funds effectuating the purposes of this act is included in a general appropriations act passed by the 2012 Session of the General Assembly, which becomes law.