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**HOUSE BILL NO. 413**

Offered January 13, 2016

Prefiled January 7, 2016

A *BILL to amend the Code of Virginia by adding in Title 15.2 a chapter numbered 60.2, consisting of sections numbered 15.2-6025 through 15.2-6039, relating to the Fly Wisely Unmanned Aerial Systems Accelerator Authority.*

Patrons—Kilgore and Pillion; Senators: Carrico, Chafin and Surovell

Referred to Committee on General Laws

**Be it enacted by the General Assembly of Virginia:**

1. That the Code of Virginia is amended by adding in Title 15.2 a chapter numbered 60.2, consisting of sections numbered 15.2-6025 through 15.2-6039, as follows:

**CHAPTER 60.2.****FLY WISELY UNMANNED AERIAL SYSTEMS ACCELERATOR AUTHORITY.****§ 15.2-6025. Definitions.**

As used in this chapter, unless the context requires a different meaning:

"Authority" means the Fly Wisely Unmanned Aerial Systems Accelerator Authority.

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

**§ 15.2-6026. Findings of fact.**

The economy of Southwest Virginia has not kept pace with that of the rest of the Commonwealth. The economic problems of Southwest Virginia are due in large part to its present inability to diversify. The Southwest has suffered, and continues to suffer, widespread unemployment and poverty in great disproportion to the rest of the Commonwealth.

The Fly Wisely Unmanned Aerial Systems Accelerator Authority will assist the coal-producing areas of the Commonwealth to achieve some degree of economic diversification.

It is hereby further declared that the foregoing is a public purpose and use for which public moneys may be spent and such activity will serve a public purpose in providing jobs to the citizens of the Commonwealth.

**§ 15.2-6027. Declaration of public purpose; Authority created.**

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 in every region of the Commonwealth; (ii) promote science, technology, engineering, and math (STEM) education and enable use of unmanned aerial systems research in areas of high poverty and unemployment; and (iii) promote industrial and economic development through the development and promotion of the commercial unmanned aerial systems industry. In order to facilitate and coordinate the response to these needs, there is hereby created the Fly Wisely Unmanned Aerial Systems Accelerator Authority with the powers and duties set forth in this chapter, 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 chapter shall be deemed and held to be the performance of an essential government function of the Commonwealth and a public purpose.

The Authority shall provide financial support for the purchase of real estate; construction of buildings for sale or lease; installation of utilities; and the directing of loans and grants to private, for-profit basic employers. The Authority may apply for matching funds from the state or federal government or the private sector to assist in the creation of innovative partnerships to conduct research and development of start-up unmanned aerial systems research in the area of the state defined by this chapter.

All such loans and grants may be managed by the University of Virginia's College at Wise or the Wise County Industrial Development Authority.

The exercise of the powers granted by this chapter shall be in all respects for the benefit of the inhabitants of the Commonwealth, particularly the LENOWISCO Planning District area, for the increase of their commerce, and for the promotion of their safety, health, welfare, convenience, and prosperity.

**§ 15.2- 6028. Board of directors; members and officers.**

The Authority shall be governed by a board of directors consisting of nine members: (i) the chancellor of the University of Virginia's College at Wise or the chancellor's designee; (ii) the president of Mountain Empire Community College or the president's designee; (iii) the manager of the Lonesome Pine Airport; (iv) a designee from among the membership of the Virginia Coalfield Economic

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59 Development Authority ; (v) a designee from among the membership of the Wise County Industrial  
60 Development Authority; (vi) a designee from among the membership of the Virginia Tobacco  
61 Commission; (vii) a designee of the Virginia Department of Aviation Executive Director; (viii) a  
62 designee of the Virginia Commercial Space Flight Authority Executive Director; and (ix) a designee of  
63 the Virginia Space Grant Consortium.

64 The board shall annually elect one of its members as chairman and another as vice-chairman and  
65 may also elect from its membership, or appoint from the Authority's staff, a secretary and a treasurer  
66 and prescribe their powers and duties. The chairman or, in his absence, the vice-chairman shall preside  
67 at all meetings of the board. In the absence of both the chairman and vice-chairman, the board shall  
68 appoint a chairman pro tempore, who shall preside at such meetings. Five members shall constitute a  
69 quorum for the transaction of the Authority's business, and no vacancy in the membership shall impair  
70 the right of a quorum to exercise all the rights and perform all the duties of the Authority. The board  
71 may appoint a part-time executive director with a license to practice law.

72 **§ 15.2-6029. Office of Authority.**

73 The Authority shall have and maintain its principal office as determined by the board, within Wise  
74 County or Norton City, at which all of its records shall be kept and from which its business shall be  
75 transacted, with such space being contributed by one of the entities represented on the board.

76 **§ 15.2-6030. Planning.**

77 The board shall initiate and further plan for the development of commercial unmanned aerial  
78 systems in the Commonwealth with specific focus on southwestern Virginia and, to this end, shall keep  
79 informed as to the present requirements and likely future needs of any and all unmanned aerial systems  
80 facilities located within the Commonwealth or operated by the Authority for the purpose of integration  
81 or cooperation. The board shall submit a strategic plan to the Governor and the General Assembly no  
82 later than December 1, 2017, and such plan shall be updated annually thereafter.

83 **§ 15.2-6031. General powers of Authority; regulations; enforcement of statutes, rules, etc.**

84 In order to enable it to carry out the purposes of this chapter, the Authority acting through its  
85 board:

86 1. Is vested with the powers of a body corporate, including the power to sue and be sued, to plead  
87 and be impleaded, to make contracts, and to adopt and use a common seal and to alter the same as  
88 may be deemed expedient;

89 2. May retain legal counsel to represent the Authority in hearings, controversies, or matters  
90 involving the interests of the Authority and the furtherance of its purpose; and

91 3. Is vested with power to adopt, alter, or repeal its own bylaws and regulations governing the  
92 manner in which its business may be transacted and in which the power granted to it may be enjoyed.  
93 The Authority may provide for the appointment of such committees, and the functions thereof, as it may  
94 deem necessary to facilitate its business. Such committees shall consist of such number of persons as the  
95 Authority shall deem advisable. Members of committees shall receive no compensation for their services,  
96 but may be reimbursed their necessary traveling and other expenses incurred while on business of the  
97 Authority. The Authority may set flat fees for expenses for a member's attendance at all meetings of the  
98 Authority or at its other functions. Such fees shall not exceed \$75 per day.

99 **§ 15.2-6032. Further powers.**

100 The Authority, to accomplish its general purpose, is given the following powers:

101 1. To enter into contractual agreements in furtherance of its purpose;

102 2. To rent, lease, buy, own, acquire, and dispose of such property, real or personal, as the Authority  
103 deems proper to carry out any of the purposes and provisions of this chapter, including the execution of  
104 leases with option to purchase;

105 3. To apply for and accept grants or loans of money or other property from any federal agency for  
106 any of the purposes authorized in this chapter, and to expend or use the same in accordance with the  
107 directions and requirements attached thereto or imposed thereon by any such federal agency;

108 4. To engage in economic development marketing and business attraction activities and to pay from  
109 the Authority's funds any and all expenses incurred in connection with such economic development  
110 marketing and business attraction activities;

111 5. To pay from the Authority's funds any and all expenses incurred by the Authority including, but  
112 not limited to, administrative, operational, personnel, consultant, legal, marketing, business attraction,  
113 advertising, promotional, and any other expenses incurred in furtherance of the purposes of this  
114 chapter; and

115 6. To do and perform any act or function that is in accord with the purposes of the chapter,  
116 including (i) borrowing money; (ii) employing such persons as the board deems necessary to carry on  
117 the business of the Authority; and (iii) funding research and development, with no single entity and  
118 project receiving no more than 15 percent of available annual funding.

119 **§ 15.2-6033. Acceptance of funds, property, and grants or loans.**

120 The Authority may accept funds and property from the federal government, the Commonwealth,

persons, and localities, and may use the same for any of the purposes for which the Authority is created.

Localities, the Coalfield Economic Development Authority, the Virginia Tobacco Region Revitalization Commission, the Virginia Center for Innovative Technology, the Virginia Economic Development Partnership, the Virginia Space Grant Consortium, the Virginia Department of Aviation, the Virginia Department of Housing and Community Development, or other entities of state government are hereby authorized to lend or donate money or other property to the Authority for any of its purposes. The authorized entities making the grant or loan may restrict the use of such grants or loans to a specific project, within or outside their jurisdiction.

**§ 15.2-6034. Forms of accounts and records; audit of same.**

The accounts and records of the Authority showing the receipt and disbursement of funds from whatever source derived shall be in such form as the Auditor of Public Accounts prescribes, provided that such accounts shall correspond as nearly as possible to the accounts and records for such matters maintained by corporate enterprises. The accounts and records of the Authority shall be subject to audit by the Auditor of Public Accounts on an annual basis, and the costs of such audit services shall be borne by the Authority. The Authority's fiscal year shall be the same as the Commonwealth's.

**§ 15.2-6035. Capitalization of Authority.**

On July 1, 2016, the Commonwealth shall remit to the Authority \$400,000 upon condition precedent of the Virginia Coalfield Economic Development Authority matching the designated amount from the funds it has available for projects within the region. The matching funds may also include funds from the Virginia Tobacco Region Revitalization Commission.

**§ 15.2-6036. Eligible use of funds.**

The Authority is hereby empowered to pledge its funds, and make loans and grants to or for the benefit of for-profit enterprises or entities, governmental or corporate instrumentalities in the coalfield region of Virginia, not-for-profit enterprises or entities, nonprofit industrial development corporations, economic development authorities, or industrial development authorities for financing the following: (i) feasibility studies, site studies, preliminary engineering or architectural reports, and other studies and plans and (ii) such other improvements, projects, activities, or purposes as the Authority deems necessary to accomplish its purpose to further research and development of unmanned aerial systems in the Commonwealth and the LENOWISCO Planning District service area.

**§ 15.2-6037. Dissolution of Authority.**

Whenever the board determines that the purpose for which the Authority was created has been substantially fulfilled or is impractical or impossible of accomplishment and that all obligations incurred by the Authority have been paid or that cash or a sufficient amount of United States government securities has been deposited for their payment or provisions satisfactory for the timely payment of all its outstanding obligations have been arranged, the board may adopt resolutions declaring and finding that the Authority shall be dissolved. Appropriate attested copies of such resolutions shall be delivered to the Governor so that legislation dissolving the Authority may be introduced in the General Assembly. The dissolution of the Authority shall become effective according to the terms of such legislation. The title to all funds and other property owned by the Authority at the time of such dissolution shall vest in the entities that have contributed to the fund in proportion to their respective contributions. The Authority shall dissolve on or before June 30, 2019, unless otherwise extended.

**§ 15.2-6038. Chapter liberally construed.**

This chapter, being necessary for the welfare of the Commonwealth and its inhabitants, shall be liberally construed to effect the purposes thereof.

**§ 15.2-6039. Inconsistent laws inapplicable.**

All other general or special laws inconsistent with any provision of this chapter are hereby declared to be inapplicable to the provisions of this chapter.