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HOUSE BILL NO. 858

Offered January 13, 2016

Prefiled January 12, 2016

A *BILL to amend the Code of Virginia by adding in Chapter 22 of Title 2.2 an article numbered 11, consisting of sections numbered 2.2-2351 through 2.2-2364, relating to the Virginia International Trade Authority.*

Patrons—Landes, Jones, Yancey, Byron and Dudenhefer

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 22 of Title 2.2 an article numbered 11, consisting of sections numbered 2.2-2351 through 2.2-2364, as follows:

*Article 11.**Virginia International Trade Authority.***§ 2.2-2351. Short title; definitions; declaration of public purpose; Authority created.**

A. This article shall be known and may be cited as the Virginia International Trade Authority Act.

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

"Authority" means the Virginia International Trade Authority.

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

C. The General Assembly finds and declares that:

1. The promotion of international trade in the Commonwealth is necessary to increase the prosperity of the people of the Commonwealth;

2. A state international trade development authority is therefore necessary to stimulate the international trade segment of the economy by marketing internationally the Commonwealth's many products and services, by accruing the benefit of international import activities to the Commonwealth and by coordinating other private and public efforts to do the same;

3. The international trade industry is a legitimate and integral part of economic development in the Commonwealth; and

4. The creation of an authority for this purpose is in the public interest, serves a public purpose and will promote the health, safety, welfare, convenience, and prosperity of the people of the Commonwealth.

D. The Virginia International Trade Authority is hereby created, with the duties and powers set forth in this article, as a public body corporate and as a political subdivision of the Commonwealth. The Authority is constituted a public instrumentality exercising public and essential governmental functions, and the exercise by the Authority of the duties and powers conferred by this article shall be deemed and held to be the performance of an essential governmental function of the Commonwealth. The exercise of the powers granted by this article shall be in all respects for the benefit of the inhabitants of the Commonwealth and the increase of their commerce and prosperity.

§ 2.2-2352. Executive Director; Board of Directors; members and officers.

A. Notwithstanding the provisions of § 2.2-2355, all powers, rights, and duties conferred by this article or other provisions of law upon the Authority shall be exercised by an Executive Director with the advice and comment of a board of directors.

B. The board of directors shall consist of the Secretaries of Agriculture and Forestry, Commerce and Trade, Finance, Transportation, and Technology, or their designees, serving as ex officio voting members, and 12 members appointed by the Governor, subject to confirmation by the General Assembly. Ex officio members of the Board shall serve terms coincident with their terms of office. After initial staggered terms, the terms of members of the Board shall be six years, except that vacancies may be filled for the remainder of the unexpired term. All appointed members shall be residents of the Commonwealth. Each member of the board shall be reimbursed for his reasonable expenses incurred in attendance at meetings or when otherwise engaged in the business of the Authority. Appointed members of the Authority shall be compensated at the rate provided in § 2.2-2813 for each day or portion thereof in which the member is engaged in the business of the Authority.

C. The Governor shall designate one member of the board as chairman. The board may elect one member as vice-chairman, who shall exercise the powers of chairman in the absence of the chairman or as directed by the chairman. The Secretaries of Agriculture and Forestry, Commerce and Trade, Finance, Transportation, and Technology shall not be eligible to serve as chairman or vice-chairman.

D. The Board shall meet at least twice annually. In addition, the Board may at the call of the chairman or whenever any seven members so request. An act of the majority of the members of the

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59 board present at any regular or special meeting at which a quorum is present shall be an act of the
60 board of directors.

61 E. Notwithstanding the provisions of any other law, no officer or employee of the Commonwealth
62 shall be deemed to have forfeited or shall have forfeited his office or employment by reason of
63 acceptance of membership on the board or by providing service to the Authority.

64 F. The records of the Authority, its board members, and its employees that are deemed confidential
65 or proprietary shall be exempt from disclosure pursuant to subdivision 3 of § 2.2-3705.6 of the Virginia
66 Freedom of Information Act (§ 2.2-3700 et seq.).

67 **§ 2.2-2353. Appointment and duties of Executive Director.**

68 The Governor shall appoint an Executive Director of the Authority, who shall serve as president and
69 chief executive officer of the Authority. The Executive Director shall not be a member of the board. The
70 board shall set the salary and other compensation of the Executive Director and shall approve any
71 changes in the Executive Director's salary or compensation. The Executive Director shall serve as the ex
72 officio secretary of the board and shall administer, manage, and direct the affairs and activities of the
73 Authority. He shall attend meetings of the board, shall keep a record of the proceedings of the board
74 and shall maintain and be custodian of all books, documents and papers of the Authority, the minute
75 book of the Authority and its official seal. He may cause copies to be made of all minutes and other
76 records and documents of the Authority and may give certificates under seal of the Authority to the
77 effect that the copies are true copies, and all persons dealing with the Authority may rely upon the
78 certificates. He shall also perform other duties as is necessary to carry out the purposes of this article.
79 The Executive Director shall employ or retain such agents or employees subordinate to him as may be
80 necessary to fulfill the duties of the Authority as conferred upon the Executive Director. Employees of
81 the Authority, including the Executive Director, shall be eligible for membership in the Virginia
82 Retirement System and participation in all of the health and related insurance and other benefits,
83 including premium conversion and flexible benefits, available to state employees as provided by law.

84 **§ 2.2-2354. Powers of Authority.**

85 The Authority, acting through the Executive Director, shall be granted all powers necessary or
86 appropriate to carry out and to effectuate its purposes, including the power to:

87 1. Have perpetual succession as a public body corporate and as a political subdivision of the
88 Commonwealth;

89 2. Adopt, amend, and repeal bylaws, rules, and regulations, not inconsistent with this article, for the
90 administration and regulation of its affairs and to carry into effect the powers and purposes of the
91 Authority and the conduct of its business;

92 3. Sue and be sued in its own name;

93 4. Have an official seal and alter it at will, although the failure to affix this seal shall not affect the
94 validity of any instrument executed on behalf of the Authority;

95 5. Maintain offices at any place within or without the Commonwealth that it designates;

96 6. Make and execute contracts and all other instruments and agreements necessary or convenient for
97 the performance of its duties and the exercise of its powers and functions under this article;

98 7. Acquire real or personal property, or any interest therein, by purchase, exchange, gift, assignment,
99 transfer, foreclosure, lease or otherwise, including rights or easements, and hold, manage, operate, or
100 improve such property;

101 8. Sell, convey, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of all or any part
102 of its properties and assets;

103 9. Employ, at its discretion, officers, employees, agents, advisers, researchers, and consultants,
104 including without limitation financial advisers and other technical advisers and public accountants, and,
105 the provisions of any other law to the contrary notwithstanding, to determine their duties and
106 compensation without the approval of any other agency or instrumentality, and to fix their compensation
107 to be payable from funds made available to the Authority. The Authority may hire employees within and
108 without the Commonwealth and the United States without regard to whether such employees are citizens
109 of the Commonwealth;

110 10. Procure insurance, in amounts and from insurers of its choice, or provide self-insurance, against
111 any loss, cost, or expense in connection with its property, assets, or activities, including insurance or
112 self-insurance against liability for its acts or the acts of its directors, employees, or agents, and for the
113 indemnification of the members of the board and its employees and agents;

114 11. Receive and accept from any federal or private agency, foundation, corporation, association, or
115 person grants or other aid to be expended in accomplishing the objectives of the Authority, and receive
116 and accept from the Commonwealth or any state or any municipality, county, or other political
117 subdivision thereof, or from any other source, aid or contributions of either money, property, or other
118 things of value, to be held, used, and applied only for the purposes for which such grants and
119 contributions may be made. All federal moneys accepted under this section shall be accepted and
120 expended by the Authority upon such terms and conditions as are prescribed by the United States and

as are consistent with state law; and all state moneys accepted under this section shall be expended by the Authority upon such terms and conditions as are prescribed by the Commonwealth;

12. Enter into agreements with any department, agency, or instrumentality of the United States, the Commonwealth, the District of Columbia, or any state for purposes consistent with its mission;

13. Fix, alter, charge, and collect rates, rentals, fees, and other charges for the use of property of, the sale of products of, or services rendered by the Authority at rates to be determined by it for the purpose of providing for the payment of the expenses of the Authority;

14. Make grants to private sector or public sector entities with any funds of the Authority available for this purpose;

15. Develop policies and procedures generally applicable to the procurement of goods, services, and construction based on competitive principles;

16. Issue periodicals and carry and charge for advertising therein;

17. Raise money in the corporate, nonprofit, and nonstate communities to finance the Authority's activities;

18. Enter into agreements with public or private entities that provide participating funding to establish and operate international trade development centers, funded jointly by the entity and the Authority, as shall be determined by the Executive Director, and as approved by the Authority;

19. Encourage, stimulate, and support international trade in the Commonwealth by promoting, marketing, and advertising the Commonwealth's many private sector and public sector products and services of interest to international markets and by accruing to Virginia the benefits associated with international importation;

20. Encourage, stimulate, and support the international trade industry in the Commonwealth;

21. Develop, undertake, and provide programs, alone or in conjunction with any person or organization, for international trade development that might lead to improvements in international trade development in Virginia;

22. Establish a coalition of organizations and entities with the objective of (i) providing international trade programs and services in the Commonwealth and (ii) developing alignments and integration of services for purposes of efficiency and maximizing international trade;

23. Adopt, alter, and repeal bylaws, rules, and regulations governing the manner in which its business shall be transacted and the manner in which the powers of the Authority shall be exercised and its duties performed; and

24. Do any act necessary or convenient to the exercise of the powers granted or reasonably implied by this article and not otherwise inconsistent with state law.

§ 2.2-2355. Advisory committees.

The Authority may establish advisory committees, which may be composed of any persons with requisite expertise to undertake more extensive study on matters under consideration by the Authority.

§ 2.2-2356. International trade development services.

A. The Authority shall encourage, stimulate, and support the development and expansion of the economy of the Commonwealth. The Authority is charged with the following duties and responsibilities related to providing international trade development services:

1. Ensure that there are prepared and carried out effective international trade development marketing and promotional programs, inclusive of both international export and international import programs when economic benefit accrues to Virginia's economy and businesses;

2. Make available to businesses across the Commonwealth, in conjunction and cooperation with business trade associations, chambers of commerce, universities, and other public and private groups, international trade development programs and services;

3. Encourage and solicit private sector involvement, support, and funding for international trade development in the Commonwealth;

4. Encourage the coordination of international trade development efforts of public institutions, business associations, chambers of commerce, and private industry and collect and maintain data on the development and utilization of international trade development capabilities;

5. Offer a program for the issuance of international documentation for companies located in Virginia if no federal agency or other regulatory body or issuing entity will provide international documentation in a form deemed necessary for international commerce; and

6. Contribute to the development of the comprehensive economic development strategy for the Commonwealth, starting the first year of each new gubernatorial administration, consistent with the provisions of Article 3 (§ 2.2-204 et seq.) of Chapter 2.

B. By September 1 of each year, the Authority shall report to the Governor and the General Assembly on the status of the implementation of the comprehensive economic development strategy and recommend legislative and executive actions related to the implementation of the comprehensive economic development strategy.

§ 2.2-2357. Grants from the Commonwealth.

The Commonwealth may make grants of money or property to the Authority for the purpose of enabling it to carry out its corporate purposes and for the exercise of its powers. This section shall not be construed to limit any other power the Commonwealth may have to make grants to the Authority.

§ 2.2-2358. Deposit of money; expenditures; security for deposits.

A. All moneys of the Authority, except as otherwise authorized by law or this article, shall be deposited in accounts in banks or trust companies organized under the laws of the Commonwealth or in national banking associations located in Virginia or in savings institutions located in Virginia organized under the laws of the Commonwealth or the United States. The moneys in these accounts shall be paid by check signed by the Executive Director or any other officer or employee designated by the Authority. All deposits of moneys shall, if required by the Authority, be secured in a manner determined by the Authority to be prudent, and all banks, trust companies, and savings institutions are authorized to give security for the deposits.

B. Funds of the Authority that are not required for immediate use or disbursement, including any funds held in reserve, may be invested in (i) obligations or securities that are considered lawful investments for fiduciaries, both individual and corporate, as set forth in § 2.2-4519; (ii) bankers' acceptances; or (iii) repurchase agreements, reverse repurchase agreements, rate guarantee or investment agreements, or other similar banking arrangements.

§ 2.2-2359. Forms of accounts and records; audit.

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 governmental generally accepted accounting standards. Such accounts shall correspond as nearly as possible to the accounts and records for such matters maintained by 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.

§ 2.2-2360. Exemption from taxation.

As set forth in § 2.2-2351, the Authority shall be performing an essential governmental function in the exercise of the powers conferred upon it by this article. Accordingly, the Authority shall not be required to pay any taxes or assessments upon any project or any property or upon any operations of the Authority or the income therefrom. Agents, lessees, sublessees, or users of tangible personal property owned by or leased to the Authority also shall not be required to pay any sales or use tax upon such property or the revenue derived therefrom.

§ 2.2-2361. Exemptions from personnel and procurement procedures.

The provisions of the Virginia Public Procurement Act (§ 2.2-4300 et seq.) and the Virginia Personnel Act (§ 2.2-2900 et seq.) shall not apply to the Authority.

§ 2.2-2362. Sovereign immunity.

No provisions of this article or act of the Authority, including the procurement of insurance or self-insurance, shall be deemed a waiver of any sovereign immunity to which the Authority or its directors, officers, employees, or agents are otherwise entitled.

§ 2.2-2363. Publication of annual plan of work.

By September 1 of each year the Authority shall publish an annual plan of work, including (i) a coordinated statewide calendar of trade events, (ii) a comprehensive listing of training opportunities relevant to conducting international trade, (iii) a comprehensive catalog of trade-related resources, and (iv) a means by which collaboration among the coalition member organizations and entities established pursuant to subdivision 22 of § 2.2-2355 is projected to positively affect the economic contribution of international trade to the Commonwealth.

§ 2.2-2364. Liberal construction of article.

The provisions of this article shall be liberally construed to the end that its beneficial purposes may be effectuated.

2. That the initial appointments by the Governor shall be staggered as follows: seven members for terms of four years and five members for terms of two years.

3. That the Virginia International Trade Authority (Authority), as created in this act, shall provide to the General Assembly not later than November 1, 2016, a plan for the establishment of the coalition of organizations providing international trade programs and services in the Commonwealth required by the first enactment of this act. Entities that shall be considered by the Authority for inclusion in the coalition of organizations and entities shall include GenEdge Alliance, Metropolitan Washington Airports Authority, Virginia Department of Agriculture and Consumer Services, Virginia Department of Housing and Community Development, the Virginia Chamber of Commerce, the Virginia Manufacturers Association and other Virginia International Trade Alliance Partners, Virginia Port Authority, Virginia Small Business Development Center Network, U.S. Department of Commerce, Export Assistance Centers, Virginia District Office of the

244 U.S. Small Business Administration, and localities and regional entities providing international
245 trade programs. The plan shall include an organizational structure to be effective no later than
246 July 1, 2017, and the development of standardized performance measures for the coalition.