

## VIRGINIA ACTS OF ASSEMBLY — CHAPTER

*An Act to amend and reenact §§ 2.2-204 and 62.1-129 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 27 of Title 2.2 an article numbered 11, consisting of sections numbered 2.2-2738 through 2.2-2743, relating to the Virginia International Trade Corporation.*

[H 858]

Approved

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

**1. That §§ 2.2-204 and 62.1-129 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 27 of Title 2.2 an article numbered 11, consisting of sections numbered 2.2-2738 through 2.2-2743, as follows:**

**§ 2.2-204. Position established; agencies for which responsible; additional duties.**

The position of Secretary of Commerce and Trade (the Secretary) is created. The Secretary shall be responsible to the Governor for the following agencies: Virginia Economic Development Partnership Authority, *Virginia International Trade Corporation*, Virginia Tourism Authority, Department of Labor and Industry, Department of Mines, Minerals and Energy, Virginia Employment Commission, Department of Professional and Occupational Regulation, Department of Housing and Community Development, Department of Small Business and Supplier Diversity, Virginia Housing Development Authority, Virginia Resources Authority, Tobacco Region Revitalization Commission, and Board of Accountancy. The Governor, by executive order, may assign any state executive agency to the Secretary, or reassign any agency listed in this section to another Secretary.

The Secretary shall implement the provisions of the Virginia Biotechnology Research Act (§ 2.2-5500 et seq.).

## Article 11.

*Virginia International Trade Corporation.*

**§ 2.2-2738. Virginia International Trade Corporation; purpose; membership; meetings.**

A. *The Virginia International Trade Corporation (the Corporation) is established in the executive branch of state government. The purpose of the Corporation shall be to promote international trade in the Commonwealth.*

B. *The Corporation shall be governed by a board of directors (the Board) composed of 17 members as follows: the Secretaries of Agriculture and Forestry, Commerce and Trade, Finance, Technology, and Transportation, or their designees, serving ex officio with voting privileges, and 12 nonlegislative citizen members appointed by the Governor, subject to confirmation by the General Assembly. The members appointed by the Governor shall have experience as senior management personnel or leaders in the areas of agriculture, finance, development, international business, manufacturing, and trade with at least two having background and experience specific to agriculture. Ex officio members of the Board shall serve terms coincident with their terms of office. Appointments to fill vacancies, other than by expiration of a term, shall be for the unexpired terms. After the initial staggering of terms, nonlegislative citizen members shall be appointed for a term of six years. Nonlegislative citizen members shall be citizens of the Commonwealth.*

C. *The Board shall elect a chairman and a vice-chairman from among its members. The Secretaries of Agriculture and Forestry, Commerce and Trade, Finance, Technology, and Transportation shall not be eligible to serve as chairman or vice-chairman.*

D. *The Board shall meet at least four times annually and more often if deemed necessary or advisable by the chairman.*

E. *Members of the Board shall receive no compensation for their services but shall be reimbursed for all reasonable and necessary expenses incurred in the performance of their duties as provided in §§ 2.2-2813 and 2.2-2825.*

**§ 2.2-2739. Appointment of Chief Executive Officer.**

The Governor, in consultation with the Board, shall appoint a Chief Executive Officer of the Corporation. The Chief Executive Officer shall perform the duties and exercise the functions the Corporation assigns to him. He shall receive a salary for his services to be paid by the Corporation subject to the approval of the Governor. The Chief Executive Officer shall employ or retain such agents or employees subordinate to him as may be necessary to fulfill the duties of the Corporation as conferred upon the Chief Executive Officer. Employees of the Corporation, including the Chief Executive Officer, shall be eligible for membership in the Virginia Retirement System and participation in all of the health and related insurance and other benefits, including premium conversion and flexible benefits,

57 available to state employees as provided by law.

58 **§ 2.2-2740. Powers and duties of the Corporation.**

59 The Corporation shall have the power and duty to:

60 1. Periodically assess (i) product and services promotion activities with the Virginia Economic  
61 Development Partnership Authority and the Department of Agriculture and Consumer Services and (ii)  
62 suggestions from relevant industries on ways to increase exports of Virginia products;

63 2. Ensure the preparation and execution of effective international trade development marketing and  
64 promotional programs, inclusive of both international export and international import programs when  
65 economic benefit accrues to Virginia's economy and businesses;

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

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

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

74 6. Offer a program for the issuance of international documentation for companies located in the  
75 Commonwealth if no federal agency or other regulatory body or issuing entity will provide international  
76 documentation in a form deemed necessary for international commerce;

77 7. Adopt, amend, and repeal bylaws, rules, and regulations, not inconsistent with this article, for the  
78 administration and regulation of its affairs, to carry into effect the powers and purposes of the  
79 Corporation, and for the conduct of its business;

80 8. Maintain an office at any place within or without the Commonwealth that it designates;

81 9. Make and execute contracts and all other instruments and agreements necessary or convenient for  
82 the performance of its duties and the exercise of its owners and functions under this article;

83 10. Employ officers, employees, agents, advisers, and consultants, including without limitation  
84 financial advisers and other technical advisers and public accountants, and, the provisions of any other  
85 law to the contrary notwithstanding, to determine their duties and compensation without the approval of  
86 any other agency or instrumentality;

87 11. Sell, convey, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of all or any  
88 part of its properties and assets;

89 12. Procure insurance, in amounts and from insurers of its choice, or provide self-insurance, against  
90 any loss, cost, or expense in connection with its property, assets, or activities, including insurance or  
91 self-insurance against liability for its acts or the acts of its directors, employees, or agents and for the  
92 indemnification of the members of its Board and its employees and agents;

93 13. Establish and revise, amend and repeal, and charge and collect fees and charges in connection  
94 with any activities or services of the Corporation;

95 14. Make grants with any funds of the Corporation available for this purpose;

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

98 16. Raise money in the corporate, nonprofit, and nonstate communities to finance the Corporation's  
99 activities;

100 17. Receive and accept from any source aid, grants, and contributions of money, property, labor, or  
101 other things of value to be held, used, and applied to carry out the purposes of this article subject to  
102 the conditions upon which the aid, grants, or contributions are made;

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

105 19. Maintain accounts and records as prescribed by the Auditor of Public Accounts, who shall  
106 annually audit the accounts of the Corporation; and

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

109 **§ 2.2-2741. Grants from the Commonwealth.**

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

113 **§ 2.2-2742. Exemption from taxation.**

114 The Corporation shall be performing an essential governmental function in the exercise of the  
115 powers conferred upon it by this article. Accordingly, the Corporation shall not be required to pay any  
116 taxes or assessments upon any project or any property or upon any operations of the Corporation or  
117 the income therefrom. Agents, lessees, sublessees, or users of tangible personal property owned by or

leased to the Corporation also shall not be required to pay any sales or use tax upon such property or the revenue derived therefrom.

**§ 2.2-2743. 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 Corporation.*

**§ 62.1-129. Board of Commissioners; members and officers; Executive Director; agents and employees.**

A. All powers, rights, and duties conferred by this chapter, or other provisions of law, upon the Authority shall be exercised by the Board of Commissioners of the Virginia Port Authority, hereinafter referred to as *the Board* or Board of Commissioners. The Board shall consist of the State Treasurer, the Chief Executive Officer of the Virginia Economic Development Partnership, *the Chief Executive Officer of the Virginia International Trade Corporation*, and 11 members appointed by the Governor, subject to confirmation by the General Assembly, who shall serve at the pleasure of the Governor. The terms of members of the Board of Commissioners appointed or reappointed by the Governor on or after January 1, 1981, shall be for five years. Any appointment to fill a vacancy shall be for the unexpired term. Members of the Board shall receive their expenses and shall be compensated at the rate provided in § 2.2-2813 for each day spent on business of the Board. No member appointed by the Governor shall be eligible to serve more than two successive terms. A person appointed to fill a vacancy may be appointed to serve two additional terms. Beginning with those members of the Board of Commissioners appointed or reappointed by the Governor on or after January 1, 1981: (i) appointments shall be made by the Governor in such a manner as to ensure the widest possible geographical representation of all parts of the Commonwealth, and (ii) no resident of the Cities of Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, or Virginia Beach shall be eligible for appointment or reappointment to the Board of Commissioners if his appointment or reappointment would increase or maintain the number of members of the Board of Commissioners residing in such cities above the number of five. One of the members appointed or reappointed from the cities previously mentioned in this section shall be a resident of the City of Portsmouth or the City of Chesapeake, one of the members appointed or reappointed shall be a resident of the City of Norfolk or the City of Virginia Beach, one of the members appointed or reappointed shall be a resident of the City of Newport News or the City of Hampton, one of the members appointed or reappointed shall be a resident of Greater Hampton Roads, and one of the members appointed or reappointed shall be a resident of Greater Hampton Roads, but not a resident of any of the above-mentioned cities. Additionally, one member shall be appointed from the City of Richmond or the County of Chesterfield, Hanover, or Henrico to serve as a nonvoting ex officio member representing the Port of Richmond, and one member shall be appointed from the City of Winchester or the County of Clarke, Frederick, or Warren to serve as a nonvoting ex officio member representing the Virginia Inland Port. Of the members appointed by the Governor, all members shall have executive level experience and represent one of the following industries: agriculture, distribution and warehousing, manufacturing, logistics and transportation, mining, marketing, legal, financial, or transportation infrastructure. In addition, the Governor shall appoint at least one member with maritime shipping experience from a list of at least three nominees provided by the Virginia Maritime Association, who shall not be a paid member of the Virginia Maritime Association or have any other conflict of interest with the Virginia Port Authority.

The Board shall elect from its membership a chairman and vice-chairman and may also elect from its membership, or appoint from its staff, a secretary and treasurer and prescribe their powers and duties.

The Board of Commissioners shall appoint the chief executive officer of the Authority, who shall not be a member of the Board, who shall be known as the Executive Director and who shall serve at the pleasure of the Board. The Executive Director's compensation from the Commonwealth shall be fixed by the Board in accordance with law. This compensation shall be established at a level which will enable the Authority to attract and retain a capable Executive Director.

The Board may also appoint from the staff an assistant secretary and an assistant treasurer, who shall, in addition to other duties, discharge such functions of the secretary and treasurer, respectively, as may be directed by the Board.

B. The Board may, at its discretion and from time to time, also form a Maritime Advisory Council, consisting of representatives from the maritime industry, to provide advice and counsel to the Board of Commissioners on all matters associated with the Authority with the exception of the annual budget and personnel matters.

**2. That § 2.2-204 of the Code of Virginia, as amended by this act, and §§ 2.2-2738 and 2.2-2739 of the Code of Virginia, as created by this act, shall become effective on December 1, 2016.**

**3. That §§ 2.2-2740 and 2.2-2741 of the Code of Virginia, as created by this act, and § 62.1-129 of the Code of Virginia, as amended by this act, shall become effective on April 1, 2017.**

**4. That the initial appointments by the Governor of nonlegislative citizen members to the Virginia**

179 International Trade Corporation shall be staggered as follows: seven members for terms of four  
180 years and five members for terms of two years.

181 5. That the Virginia International Trade Corporation (the Corporation) created pursuant to this  
182 act shall enter into a Memorandum of Agreement with the Virginia Economic Development  
183 Partnership Authority (the Authority) for the Authority to provide administrative and support  
184 services for the Corporation until July 1, 2018, or until the Corporation is able to provide such  
185 services. Further, the Authority shall transfer as part of the Memorandum of Agreement all  
186 portions of its budget currently allocated for trade-related programs, personnel, and costs to the  
187 Corporation.

188 6. That the Virginia International Trade Corporation, as created by this act, shall provide to the  
189 General Assembly not later than November 1, 2017, a plan for the establishment of a coalition of  
190 organizations providing international trade programs and services in the Commonwealth,  
191 including standardized performance measures and organizational structure, to enhance the services  
192 required by the first enactment of this act to serve small and medium enterprises (SMEs). Entities  
193 that shall be considered by the Virginia International Trade Corporation for inclusion in the  
194 coalition of organizations shall include GENEDGE Alliance, the Metropolitan Washington Airports  
195 Authority, the Virginia Department of Agriculture and Consumer Services, the Virginia  
196 Department of Housing and Community Development, the Virginia Chamber of Commerce and  
197 other statewide chambers, the Virginia Manufacturers Association, the Virginia Maritime  
198 Association, the Virginia Port Authority, the Virginia Small Business Development Center  
199 Network, the U.S. Department of Commerce, the U.S. Export Assistance Centers, the Virginia  
200 District Office of the U.S. Small Business Administration, and localities and regional entities  
201 providing international trade programs.

202 7. That the Secretary of Commerce and Trade shall provide to the Chairmen of the House  
203 Committee on Appropriations and the Senate Committee on Finance, not later than September 1,  
204 2016, a proposed budget, a business plan, and performance metrics that address the structure and  
205 duties of and staff support for the Virginia International Trade Corporation (the Corporation) as  
206 well as any proposed Memorandum of Agreement between the Corporation and the Virginia  
207 Economic Development Partnership Authority (the Authority) for the Authority to provide  
208 administrative and support services for the Corporation. The Chairmen of the House Committee  
209 on Appropriations and the Senate Committee on Finance shall review the information submitted  
210 and provide findings and recommendations to the Secretary of Commerce and Trade on or before  
211 December 1, 2016.

212 8. That the Secretary of Agriculture and Forestry shall provide to the Chairmen of the House  
213 Committee on Appropriations and the Senate Committee on Finance, by November 1, 2017,  
214 recommendations regarding the structure and duties of and staff support for the Virginia  
215 International Trade Corporation, as created by this act, that would enhance and accelerate export  
216 marketing services performed by the Virginia Department of Agriculture and Consumer Services,  
217 with consideration given to the possible transfer of such export marketing services into the  
218 Virginia International Trade Corporation.