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HOUSE BILL NO. 858**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the Joint Conference Committee
on March 10, 2016)

(Patron Prior to Substitute—Delegate Landes)

A *BILL 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 2.2-2741, relating to the Virginia International Trade Corporation.*

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 2.2-2741, 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.

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

The Corporation shall have the power and duty to:

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

2. *Ensure the preparation and execution of 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;*

3. *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;*

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

5. *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; and*

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

§ 2.2-2741. Grants from the Commonwealth.

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

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

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

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

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

133 4. That the initial appointments by the Governor of nonlegislative citizen members to the Virginia
134 International Trade Corporation shall be staggered as follows: seven members for terms of four
135 years and five members for terms of two years.

136 5. That the Virginia International Trade Corporation (the Corporation) created pursuant to this
137 act shall enter into a Memorandum of Agreement with the Virginia Economic Development
138 Partnership Authority (the Authority) for the Authority to provide administrative and support
139 services for the Corporation until July 1, 2018, or until the Corporation is able to provide such
140 services.

141 6. That the Virginia International Trade Corporation, as created by this act, shall provide to the
142 General Assembly not later than November 1, 2017, a plan for the establishment of a coalition of
143 organizations providing international trade programs and services in the Commonwealth,
144 including standardized performance measures and organizational structure, to enhance the services
145 required by the first enactment of this act to serve small and medium enterprises (SMEs). Entities
146 that shall be considered by the Virginia Economic Development Partnership Authority for
147 inclusion in the coalition of organizations shall include GENEDGE Alliance, the Metropolitan
148 Washington Airports Authority, the Virginia Department of Agriculture and Consumer Services,
149 the Virginia Department of Housing and Community Development, the Virginia Chamber of
150 Commerce and other statewide chambers, the Virginia Manufacturers Association, the Virginia
151 Maritime Association, the Virginia Port Authority, the Virginia Small Business Development
152 Center Network, the U.S. Department of Commerce, the U.S. Export Assistance Centers, the
153 Virginia District Office of the U.S. Small Business Administration, and localities and regional
154 entities providing international trade programs.

155 7. That the Secretary of Commerce and Trade shall provide to the Chairmen of the House
156 Committee on Appropriations and the Senate Committee on Finance, not later than September 1,
157 2016, a proposed budget, a business plan, and performance metrics that address the structure and
158 duties of and staff support for the Virginia International Trade Corporation (the Corporation) as
159 well as any proposed Memorandum of Agreement between the Corporation and the Virginia
160 Economic Development Partnership Authority (the Authority) for the Authority to provide
161 administrative and support services for the Corporation. The Chairmen of the House Committee
162 on Appropriations and the Senate Committee on Finance shall review the information submitted
163 and provide findings and recommendations to the Secretary of Commerce and Trade on or before
164 December 1, 2016.

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