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**SENATE BILL NO. 426**

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 2.2-2356, and by adding sections numbered 2.2-4311.3 and 15.2-958.5:1, relating to the Virginia Community Impact Authority.*

Patron—Vogel

Referred to Committee on Local Government

**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 2.2-2356, and by adding sections numbered 2.2-4311.3 and 15.2-958.5:1 as follows:**

*Article 11.*

*Virginia Community Impact Authority.*

**§ 2.2-2351. Virginia Community Impact Authority created; membership; expenses; terms; staff.**

*There is created a political subdivision of the Commonwealth to be known as the Virginia Community Impact Authority (the Authority). The Authority shall consist of seven nonlegislative citizen members appointed by the Governor, subject to confirmation by the General Assembly, who shall serve at the pleasure of the Governor. Members of the Authority shall be entitled to no compensation for their services but shall be reimbursed for all reasonable and necessary expenses incurred in the discharge of their duties as provided in § 2.2-2825.*

*After initial staggered terms, the term of each member shall be four years. No members shall serve more than two consecutive terms. Vacancies in the membership of the Authority shall be filled by appointment for the unexpired portion of the term.*

*The Governor shall designate one member of the Authority as Chairman, who shall serve a two-year term. No member shall be eligible to serve more than two consecutive terms as Chairman. Staff and other support services for the Authority shall be provided by the Department of Housing and Community Development.*

**§ 2.2-2352. Board of directors; quorum.**

*The powers of the Authority shall be exercised by a governing body consisting of the members of the Authority acting as a board (the Board). The Board shall elect from its membership a vice-chairman, treasurer, and secretary. The offices of secretary and treasurer may be combined. The Board may elect other officers, who need not be members of the Board. Four members shall constitute a quorum of the Board for all purposes of the Authority.*

**§ 2.2-2353. Powers of Authority.**

*The Authority is granted all powers necessary or convenient for the carrying out of its statutory purposes, including the power to:*

*1. Provide grants, investments, and loans to (i) support job training programs, health care delivery systems, and affordable housing programs and initiatives, (ii) provide grants to local community impact funds established pursuant to § 15.2-958.5:1, (iii) provide capital and loans to assist start-up private enterprises, (iv) support clean and energy-efficient programs and initiatives, and (v) support other initiatives that are determined by the Authority to have a meaningful community impact;*

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

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

*4. 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 agreements with any person or federal agency;*

*5. Receive and accept from any federal or private agency, foundation, corporation, association, or person grants or other aid to be expended in accomplishing the objectives of the Authority and receive and accept from the Commonwealth or any state, and any municipality, county, or other political subdivision thereof or from any other source, aid or contributions of either money, property, or other things of value, to be held, used, and applied only for the purposes for which such grants and contributions may be made. All federal moneys accepted under this section shall be accepted and 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;*

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59 7. Raise moneys in the corporate, nonprofit, and nonstate communities to finance the Authority's  
60 activities;

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

64 9. Do all acts and things necessary or convenient to carry out the powers granted to it by law and  
65 perform any act or carry out any function not inconsistent with state law that may be useful in carrying  
66 out the provisions of this article.

67 **§ 2.2-2354. Virginia Community Impact Fund.**

68 A. There is created in the state treasury a permanent nonreverting fund to be known as the Virginia  
69 Community Impact Fund, referred to in this section as "the Fund." The Fund shall be established on the  
70 books of the Comptroller. The Fund shall be composed of moneys deposited pursuant to § 2.2-4311.3  
71 and any other moneys designated for deposit to the Fund from any source, public or private. All moneys  
72 shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund  
73 shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest  
74 thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund.  
75 Moneys in the Fund shall be used to provide grants, investments, and loans to (i) support job training  
76 programs, health care delivery systems, and affordable housing programs and initiatives, (ii) provide  
77 grants to local community impact funds established pursuant to § 15.2-958.5:1, (iii) provide capital and  
78 loans to assist start-up private enterprises, (iv) support clean and energy-efficient programs and  
79 initiatives, and (v) support other initiatives that are determined by the Authority to have a meaningful  
80 community impact. The Fund shall be managed and administered by the Authority. Expenditures and  
81 disbursements from the Fund shall be made by the State Treasurer on warrants issued by the  
82 Comptroller upon written request signed by the Chairman of the Authority.

83 B. The Authority, or its designated agents, shall determine the qualifications, terms, and conditions  
84 for the use of the Fund and the accounts thereof.

85 **§ 2.2-2355. Nonstock corporation to assist economic development.**

86 The Board may establish nonprofit, nonstock corporations under Chapter 10 (§ 13.1-801 et seq.) of  
87 Title 13.1 as public instrumentalities exercising public and essential governmental functions to assist the  
88 Authority in raising nonstate moneys in both the corporate and nonprofit communities to implement the  
89 provisions of this article.

90 The Board shall require any such corporation to report to it at least annually on the corporation's  
91 activities.

92 **§ 2.2-2356. Forms of accounts and records; audit; annual report.**

93 A. The accounts and records of the Authority showing the receipt and disbursement of funds from  
94 whatever source derived shall be in a form prescribed by the Auditor of Public Accounts. The Auditor of  
95 Public Accounts or his legally authorized representatives shall annually examine the accounts and books  
96 of the Authority.

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

100 **§ 2.2-4311.3. Required contract provision relating to the Virginia Community Impact Fund; vendor**  
101 **representation.**

102 A. All state public bodies shall include in every written contract with a total value over \$300,000 a  
103 provision stating that from the total consideration to be paid by the public body one percent shall be  
104 deposited in the Virginia Community Impact Fund established in § 2.2-2354 with the remainder being  
105 paid to the vendor under the terms of the contract.

106 B. Such contract shall also include a vendor representation that the contract price was not increased  
107 to cover the amount deposited in the Virginia Community Impact Fund. Any vendor providing a false  
108 representation pursuant to this subsection shall be debarred from contracting with state public bodies  
109 for a period of one year. The Virginia Community Impact Authority, in conjunction with the Department  
110 of General Services, shall establish policies and guidelines to ensure compliance with the provisions of  
111 this section.

112 C. A vendor shall receive credit for any state tax that such vendor pays and any other payment that  
113 such vendor makes to the state or to any project endorsed by any authority created pursuant to the  
114 Industrial Development and Revenue Bond Act (§ 15.2-4900 et seq.) that the Authority determines  
115 supports the mission of the Virginia Community Impact Fund.

116 **§ 15.2-958.5:1. Local Community Impact Fund.**

117 Any locality may by ordinance establish a Local Community Impact Fund to receive grants from the  
118 Virginia Community Impact Fund established in § 2.2-2354, which grants shall be used to provide  
119 grants, investments, and loans to (i) support job training programs, health care delivery systems, and  
120 affordable housing programs and initiatives; (ii) provide capital and loans to assist start-up private

121 *enterprises; (iii) support clean and energy-efficient programs and initiatives; and (iv) support other*  
122 *initiatives that are determined by the governing body of the locality to have a meaningful community*  
123 *impact.*

124 **2. That the initial appointments of the nonlegislative citizen members of the Virginia Community**  
125 **Impact Authority shall be staggered as follows: three nonlegislative citizen members appointed for**  
126 **initial terms of two years, two nonlegislative citizen members appointed for initial terms of three**  
127 **years, and two nonlegislative citizen members appointed for initial terms of four years.**

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