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HOUSE BILL NO. 1021

Offered January 13, 2010

Prefiled January 13, 2010

A BILL to amend the Code of Virginia by adding in Chapter 25 of Title 2.2 an article numbered 10, consisting of sections numbered 2.2-2537 through 2.2-2541, relating to the creation of the State Asset Maximization Commission.

 Patron—Hugo

Referred to Committee on Rules

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 25 of Title 2.2 an article numbered 10, consisting of sections numbered 2.2-2537 through 2.2-2541, as follows:

*Article 10.**State Asset Maximization Commission.**§ 2.2-2537. Definitions.*

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

"Asset maximization" means an arrangement between the state and one or more public or private entities that relates to the development, financing, maintenance, securitization, monetization, or operation of a state asset.

"Public authority" or "authority" means a public authority or public benefit corporation created by or existing under any state law, with one or more of its members appointed by the Governor or who serve as members by virtue of holding a civil office of the state, other than an interstate or international authority or public benefit corporation, including any subsidiaries of such public authority or public benefit corporation.

"State agency" or "agency" shall mean any state agency, department, office, board, commission, or other instrumentality of the Commonwealth, other than a public authority.

"State asset" means any infrastructure, property, real property, intellectual property, facility, revenue, payment, or service owned or provided by a state agency, public authority, or public benefit corporation.

"User fees" means rates, tolls, fares, rentals, fees, or other charges imposed for or associated with the use or operation of all or a portion of a state asset.

§ 2.2-2538. State Asset Maximization Commission; membership; staff.

A. The State Asset Maximization Commission (the "Commission") is established as an advisory board, within the meaning of § 2.2-2100, in the executive branch of state government. The Commission shall comprise 11 members to be appointed by the Governor. A majority of the members of the Commission shall constitute a quorum.

B. Members of the Commission shall receive compensation, including all reasonable and necessary expenses incurred in the discharge of their duties as provided in § 2.2-2813. No member of the Commission shall be disqualified from holding any public office or employment, nor shall he forfeit any such office or employment by virtue of his appointment hereunder.

C. The Office of the Secretary of Administration shall serve as staff to the Commission. All agencies, authorities, and institutions of the Commonwealth shall cooperate and provide such assistance to the Commission as the Commission may request.

§ 2.2-2539. Powers and duties.

A. The Commission shall review state assets appropriate for asset maximization, including:

1. Transportation assets;

2. The state lottery; and

3. Real property, intellectual property, recreational facilities, revenues, and other state assets as the Commission deems appropriate.

B. The Commission shall accept ideas for asset maximization from private and public entities, not-for-profit institutions, research and academic institutions, and the public.

C. The Commission may establish any number of advisory committees consisting of interested individuals and entities, including but not limited to civic groups, industry representatives, and local governments to assist it.

§ 2.2-2540. Reporting.

A. The Commission shall make recommendations to the Governor and General Assembly concerning the:

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HB1021

- 59 1. Procurement process and timeline for selecting a financial advisor to assist in the selection of
60 investment and other professionals necessary for asset maximization;
61 2. Procurement process and timeline for selecting underwriters for asset maximization, including
62 appropriate participation by small, women-owned, and minority-owned business investment banks;
63 3. Ability to use tax-exempt financing;
64 4. Use of proceeds;
65 5. Performance standards;
66 6. Regulation of user fees;
67 7. Protection of public employees;
68 8. Prevailing wage and other labor standards;
69 9. Noncompete clauses;
70 10. Proposed timeline for legislative approval;
71 11. Provision of a means by which the Governor may engage in asset maximization; and
72 12. Other factors as the Commission deems appropriate.
73 B. On or before December 1 of each year, the Commission shall transmit to the Governor and the
74 General Assembly a report containing its recommendation of standards and proposed legislation that
75 may be required to implement asset maximization.
76 § 2.2-2541. Expiration.
77 The provisions of this article shall expire on July 1, 2015.