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SENATE BILL NO. 1651

Offered January 9, 2019

A *BILL to amend and reenact §§ 2.2-204, 2.2-2219, 2.2-2220, 2.2-2221, 2.2-2221.1, 2.2-3705.6, 2.2-3711, 23.1-203, and 51.1-124.38 of the Code of Virginia, 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 2.2-2365, and to repeal §§ 2.2-2220.1, 2.2-2233.1, and Article 8 of Chapter 31 of Title 23.1, consisting of sections numbered 23.1-3130 through 23.1-3134, relating to research and development in the Commonwealth.*

Patrons—Howell and Saslaw; Delegate: Plum

Referred to Committee on General Laws and Technology

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.2-204, 2.2-2219, 2.2-2220, 2.2-2221, 2.2-2221.1, 2.2-3705.6, 2.2-3711, 23.1-203, and 51.1-124.38 of the Code of Virginia is amended and reenacted, and 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 2.2-2365, 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, *Partnership for Innovation and Entrepreneurship 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, 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.).

§ 2.2-2219. Declaration of public purpose; Authority created.

A. It is found and determined by the General Assembly that there exists in the Commonwealth of Virginia a need to (i) promote the economic development of the Commonwealth by attracting and retaining high technology jobs and businesses in Virginia; (ii) increase industry competitiveness by supporting the application of innovative technologies that improve productivity and efficiency; (iii) mobilize support for high technology industries to commercialize new products and processes, including organizing assistance for small business and supporting select industry sectors and regional high technology efforts; (iv) enhance and expand the scientific and technological research and development capabilities of the institutions of higher education in the Commonwealth and coordinate such capabilities with the scientific and technological research and development activities and requirements of the public and private sectors, including transferring technological advances to the private sector; (v) expand knowledge pertaining to scientific and technological research and development among public and private entities; (vi) attract research and development (R&D) facilities and contracts from the federal government and private sector, including coordinating efforts to identify and compete for large federal and private sector R&D facilities, tracking federal technology initiatives and recommending state actions, and developing a statewide strategy to compete for large R&D contracts; and (vii) facilitate and coordinate the marketing, organization, utilization and development of scientific and technological research and development in the Commonwealth *provide services and support related to the provision of broadband services in the Commonwealth, particularly as it relates to underserved areas; and (iv) provide services, support, and research related to other innovative developments, including but not limited to cybersecurity and smart cities.*

B. To achieve the objectives of subsection A, there is created and constituted a political subdivision of the Commonwealth to be known as "The Innovation and Entrepreneurship Investment Authority." The Authority's exercise of powers conferred by this article shall be deemed to be the performance of an essential governmental function and matters of public necessity for which public moneys may be spent and private property acquired.

§ 2.2-2220. Board of directors; members; President.

The Authority shall be governed by a board of directors consisting of ~~17~~ 16 members appointed as follows: (i) two presidents of the major research public institutions of higher education, and one

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59 president representing the other public institutions of higher education, appointed by the Governor; (ii)
60 three nonlegislative citizen members appointed by the Governor; (iii) eight nonlegislative citizen
61 members appointed by the General Assembly as follows: four nonlegislative citizen members appointed
62 by the Speaker of the House from a list recommended by the House Committee on Science and
63 Technology and the Joint Commission on Technology and Science and four nonlegislative citizen
64 members appointed by the Senate Committee on Rules from a list recommended by the Senate
65 Committee on General Laws and Technology and the Joint Commission on Technology and Science;
66 and (iv) ~~the Secretary of Technology~~, the Secretary of Commerce and Trade, and the Secretary of
67 Education, who shall serve ex officio with full voting privileges.

68 One nonlegislative citizen member appointed by the Governor, one nonlegislative citizen member
69 appointed by the Speaker of the House, and one nonlegislative citizen member appointed by the Senate
70 Committee on Rules shall each have experience as a founding member of a technology company based
71 upon intellectual property that has secured private investment capital. One nonlegislative citizen member
72 appointed by the Governor, one nonlegislative citizen member appointed by the Speaker of the House,
73 and one nonlegislative citizen member appointed by the Senate Committee on Rules shall each have
74 experience as an institutional venture capital investment partner. One nonlegislative citizen member
75 appointed by the Governor, one nonlegislative citizen member appointed by the Speaker of the House,
76 and one nonlegislative citizen member appointed by the Senate Committee on Rules shall each have
77 experience as a senior executive in a technology or scientific research and development company with
78 annual revenues in excess of \$5 million. One nonlegislative citizen member appointed by the Governor,
79 one nonlegislative citizen member appointed by the Speaker of the House and one nonlegislative citizen
80 member appointed by the Senate Committee on Rules shall be from rural areas of the Commonwealth.

81 The Secretary of ~~Technology~~, ~~Secretary of Commerce and Trade~~, and Secretary of Education shall
82 serve terms coincident with their terms of office. After the initial staggering of terms, nonlegislative
83 citizen members and presidents shall be appointed for terms of two years. Vacancies in the membership
84 of the Board shall be filled in the same manner as the original appointments for the unexpired portion of
85 the term. No nonlegislative citizen member or president shall be eligible to serve for more than three
86 successive two-year terms; however, after the expiration of a term of one year, or after the expiration of
87 the remainder of a term to which appointed to fill a vacancy, three additional terms may be served by
88 such member if appointed thereto. Members of the Board shall be subject to removal from office in like
89 manner as are state, county, town and district officers under the provisions of §§ 24.2-230 through
90 24.2-238. Immediately after appointment, the members of the Board shall enter upon the performance of
91 their duties.

92 The Board shall annually elect from among its members a chairman and a vice-chairman. The Board
93 shall also elect annually a secretary, who need not be a member of the Board, and may also elect such
94 other subordinate officers who need not be members of the Board, as it deems proper. The chairman, or
95 in his absence, the vice-chairman, shall preside at all meetings of the Board. In the absence of both the
96 chairman and vice-chairman, the Board shall appoint a chairman pro tempore, who shall preside at such
97 meetings. Nine members shall constitute a quorum of the Board.

98 The Board shall employ a President of the Authority, who shall serve at the pleasure of the Board, to
99 direct the day-to-day operations and activities of the Authority and carry out such of the powers and
100 duties conferred upon him by the Board. The President and employees of the Authority shall be
101 compensated in the manner provided by the Board and shall not be subject to the provisions of the
102 Virginia Personnel Act (§ 2.2-2900 et seq.).

103 **§ 2.2-2221. Powers of the Authority.**

104 The Authority is granted all powers necessary or convenient for the carrying out of its statutory
105 purposes, including, but not limited to, the following rights and powers to:

- 106 1. Sue and be sued, implead and be impleaded, complain and defend in all courts.
- 107 2. Adopt, use, and alter at will a corporate seal.
- 108 3. Acquire, purchase, hold, use, lease or otherwise dispose of any project and property, real, personal
109 or mixed, tangible or intangible, or any interest therein necessary or desirable for carrying out the
110 purposes of the Authority, and, without limitation of the foregoing, to lease as lessee, any project and
111 any property, real, personal or mixed, or any interest therein, at such annual rental and on such terms
112 and conditions as may be determined by the Board and to lease as lessor to any person, any project and
113 any property, real, personal or mixed, tangible or intangible, or any interest therein, at any time acquired
114 by the Authority, whether wholly or partially completed, at such annual rental and on such terms and
115 conditions as may be determined by the Board, and to sell, transfer or convey any property, real,
116 personal or mixed, tangible or intangible or any interest therein, at any time acquired or held by the
117 Authority on such terms and conditions as may be determined by the board of the Authority.
- 118 4. Plan, develop, undertake, carry out, construct, improve, rehabilitate, repair, furnish, maintain, and
119 operate projects.
- 120 5. Adopt bylaws for the management and regulation of its affairs.

6. Establish and maintain satellite offices within the Commonwealth.

7. Fix, alter, charge, and collect rates, rentals, and other charges for the use of projects of, or for the sale of products of or for the 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, the planning, development, construction, improvement, rehabilitation, repair, furnishing, maintenance, and operation of its projects and properties, the payment of the costs accomplishing its purposes set forth in § 2.2-2219, the payment of the principal of and interest on its obligations, and to fulfill the terms and provisions of any agreements made with the purchasers or holders of any such obligations.

8. Borrow money, make and issue bonds including bonds as the Authority may determine to issue for the purpose of accomplishing the purposes set forth in § 2.2-2219 or of refunding bonds previously issued by the Authority, and to secure the payment of all bonds, or any part thereof, by pledge or deed of trust of all or any of its revenues, rentals, and receipts or of any project or property, real, personal or mixed, tangible or intangible, or any interest therein, and to make agreements with the purchasers or holders of such bonds or with others in connection with any such bonds, whether issued or to be issued, as the Authority deems advisable, and in general to provide for the security for the bonds and the rights of holders thereof.

9. 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.

10. Employ, in its discretion, consultants, attorneys, architects, engineers, accountants, financial experts, investment bankers, superintendents, managers and such other employees and agents as may be necessary, and to fix their compensation to be payable from funds made available to the Authority.

11. Receive and accept from any federal or private agency, foundation, corporation, association or person grants to be expended in accomplishing the objectives of the Authority, and to receive and accept from the Commonwealth or any state, and any municipality, county or other political subdivision thereof and 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.

12. Render advice and assistance, and to provide services, to institutions of higher education and to other persons providing services or facilities for scientific and technological research or graduate education, provided that credit towards a degree, certificate or diploma shall be granted only if such education is provided in conjunction with an institution of higher education authorized to operate in Virginia.

13. Develop, undertake and provide programs, alone or in conjunction with any person or federal agency, for scientific and technological research, technology management, continuing education and in-service training, provided that credit towards a degree, certificate or diploma shall be granted only if such education is provided in conjunction with an institution of higher education authorized to operate in Virginia; to foster the utilization of scientific and technological research information, discoveries and data and to obtain patents, copyrights and trademarks thereon; to coordinate the scientific and technological research efforts of public institutions and private industry and to collect and maintain data on the development and utilization of scientific and technological research capabilities. The institutions of higher education set forth in § 2.2-2220 shall be the principal leading institutions of higher education in the research institutes.

14. Pledge or otherwise encumber all or any of the revenues or receipts of the Authority as security for all or any of the obligations of the Authority.

15. Receive, administer, and market any interest in patents, copyrights and materials that were potentially patentable or copyrightable developed by or for state agencies, public institutions of higher education and political subdivisions of the Commonwealth. The Authority shall return to the agency, institution or political subdivision any revenue in excess of its administrative and marketing costs. When general funds are used to develop the patent or copyright or material that was potentially patentable or copyrightable, any state agency, except a public institution of higher education in the Commonwealth, shall return any revenues it receives from the Authority to the general fund unless the Governor authorizes a percentage of the net royalties to be shared with the developer of the patented, copyrighted, or potentially patentable or copyrightable property.

16. Provide assistance to the Virginia Research Investment Committee related to the development of the Commonwealth Research and Technology Strategic Roadmap, pursuant to § 23.1-3134, for the Commonwealth to use to identify research areas worthy of institutional focus and Commonwealth investment in order to promote commercialization and economic development efforts in the Commonwealth.

17. Foster innovative partnerships and relationships among the Commonwealth, the Commonwealth's state institutions of higher education, the private sector, federal labs, and not-for-profit organizations to improve research and development commercialization efforts.

18. Receive and review annual reports from state institutions of higher education regarding the progress of projects funded through the Commonwealth Research Initiative or the Commonwealth Research and Commercialization Fund. The Authority shall develop guidelines, methodologies, and criteria for the reports. The Authority shall aggregate the reports and submit an annual omnibus report on the status of research and development initiatives in the Commonwealth to the Governor and the chairmen of the Senate Finance Committee, the House Appropriations Committee, the Senate Committee on General Laws and Technology, the House Committee on Science and Technology, and the Joint Commission on Technology and Science.

19. In consultation with the Secretary of Technology, develop guidelines for the application, review, and award of funds from the Commonwealth Research Commercialization Fund pursuant to § 2.2-2233.1. These guidelines shall address, at a minimum, the application process and shall give special emphasis to fostering collaboration between institutions of higher education and partnerships between institutions of higher education and business and industry.

20. Exclusively, or with any other person, form and otherwise develop, own, operate, govern, and otherwise direct the disposition of assets of, or any combination thereof, separate legal entities, on any such terms and conditions and in any such manner as may be determined by the Board, provided that such separate legal entities shall be formed solely for the purpose of managing and administering any assets disposed of by the Authority. These legal entities may include limited liability companies, limited partnerships, charitable foundations, real estate holding companies, investment holding companies, nonstock corporations, and benefit corporations. Any entities created by the Authority shall be operated under the governance of the Authority. The Board shall be provided with quarterly performance reports for all governed entities. The articles of incorporation, partnership, or organization for these entities shall provide that, upon dissolution, the assets of the entities that are owned on behalf of the Commonwealth shall be transferred to the Authority. The legal entity shall ensure that the economic benefits attributable to the income and property rights arising from any transactions in which the entity is involved are allocated on a basis that is equitable in the reasonable business judgment of the Board, with due account being given to the interest of the citizens of the Commonwealth and the needs of the formed entity. No legal entity shall be deemed to be a state or governmental agency, advisory agency, or public body or instrumentality. No director, officer, or employee of any such entity shall be deemed to be an officer or employee for purposes of the State and Local Government Conflict of Interests Act (§ 2.2-3100 et seq.). Notwithstanding the foregoing, the Auditor of Public Accounts or his legally authorized representatives shall annually audit the financial accounts of the Authority and any such entity, provided that the working papers and records of the Auditor of Public Accounts relating to such audits shall not be subject to the provisions of the Virginia Freedom of Information Act (§ 2.2-3700 et seq.).

21. 17. Do all acts and things necessary or convenient to carry out the powers granted to it by law.

§ 2.2-2221.1. Reporting and transparency requirement for the Center for Innovative Technology.

A. The president of the Center for Innovative Technology shall report annually to the Joint Commission on Technology and Science, created pursuant to § 30-85, regarding a review of the Center's initiatives and projects, its work plan for the year and the expected results therefrom, and an overview of the results that it has achieved to date, to assist the Commission in its effort to stimulate, encourage, and promote the development of technology and science in the Commonwealth and sound public policies related thereto.

B. No later than July 15 of each year, the Innovation and Entrepreneurship Investment Authority shall provide to the Chairmen of the House Appropriations and Senate Finance Committees, the Secretary of Technology, and the Director of the Department of Planning and Budget a report of its operating plan for each year of the biennium. Within three months after the end of the fiscal year, the Center shall submit to the same persons a detailed expenditure report for the concluded fiscal year. Both reports shall be prepared in the format as approved by the Director of the Department of Planning and Budget and include, but not be limited to, the following:

1. All planned and actual revenue and expenditures along with funding sources, including state, federal, and other revenue sources, of both the Innovation and Entrepreneurship Investment Authority and the Center for Innovative Technology;

2. A listing of the salaries, bonuses, and benefits of all employees of the Innovation and Entrepreneurship Investment Authority and the Center for Innovative Technology;

3. By program, total grants made and investments awarded for each grant and investment program, to include the Commonwealth Research Commercialization Fund;

4. By program, the projected economic impact on the Commonwealth and recoveries of previous grants or investments and sales of equity positions; and

5. 3. Cash balances by funding source, and report, by program, available, committed, and projected expenditures of all cash balances.

C. The president of the Center for Innovative Technology shall report quarterly to the Center's board

of directors, the Chairmen of the House Appropriations and Senate Finance Committees, the Secretary of Technology, and the Director of the Department of Planning and Budget in a format approved by the Board the following:

1. The quarterly financial performance, determined by comparing the budgeted and actual revenues and expenditures with planned revenues and expenditures for the fiscal year;

2. All investments and grants executed compared with projected investment closings and the return on prior investments and grants including all gains and losses; and

3. The financial and programmatic performance of all operating entities owned by the Center.

D. The president of the Center for Innovative Technology shall provide an annual report describing key programs and their economic performance for the Commonwealth in a format understandable by the citizens of the Commonwealth and available on the Center's website.

Article 11.

The Partnership for Innovation and Entrepreneurship Authority.

§ 2.2-2351. Short title; declaration of public purpose.

A. This article shall be known and may be cited as the Partnership for Innovation and Entrepreneurship Act.

B. It is found and determined by the General Assembly that there exists in the Commonwealth a need to (i) promote the economic development of the Commonwealth by developing, attracting, and retaining serial entrepreneurs in Virginia; (ii) mobilize support for high-growth industries to commercialize new products and processes, including organizing assistance for small business and supporting those select industry sector efforts; (iii) promote the economic development and growth of the Commonwealth by enhancing and expanding the scientific and technical research and development (R&D) capabilities of the institutions of higher education in the Commonwealth and coordinate such capabilities with the R&D activities and requirements of the public and private sectors, including transferring technological advances to the private sector; (iv) provide funding to support those technology development and transfer activities from proof-of-concept through commercialization in an effort to form new businesses and create new jobs; and (v) attract R&D facilities and contracts from the federal government and private sector, including coordinating efforts to identify and compete for large federal and private sector R&D facilities, track federal technology initiatives and recommend state actions, and develop a statewide strategy to compete for large R&D contracts.

Attracting and providing new private and public funding to the Commonwealth to support research, entrepreneurship, and innovation activities will create new job opportunities and diversify the economy.

C. To achieve the objectives set forth in subsection B, there is created and constituted a political subdivision of the Commonwealth to be known as the Partnership for Innovation and Entrepreneurship Authority. The Partnership's exercise of powers conferred by this article shall be deemed to be the performance of an essential governmental function and matters of public necessity for which public moneys may be spent and private property acquired.

§ 2.2-2352. Definitions.

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

"Board" means the Board of Directors of the Partnership.

"Partnership" means the Partnership for Innovation and Entrepreneurship Authority.

§ 2.2-2353. Board of Directors; members; Chief Executive Officer.

A. 1. The Partnership shall be governed by a board of directors consisting of 13 voting members as follows: (i) the Secretary of Commerce and Trade, the Secretary of Finance, the chairman of the State Council for Higher Education of Virginia, the staff director of the House Committee on Appropriations, and the staff director of the Senate Committee on Finance, all of whom shall serve *ex officio*, and (ii) eight nonlegislative citizen members, four to be appointed by the Governor, and four to be appointed by the Joint Rules Committee.

B. 1. Each of the nonlegislative citizen members shall possess significant and proven experience in at least one of the following areas: commercialization of university research, serial company founding, venture and angel investment, and industry segments significant to Virginia's economy including technology, life sciences, advanced manufacturing, biotechnology, cybersecurity, or any other industry identified in the comprehensive economic development policy developed pursuant to § 2.2-205.

2. Northern Virginia, Hampton Roads, Richmond, the Valley, and both regions of the Tobacco Commission shall be represented by at least one member of the Board. In determining such geographical representation, *ex officio* members of the Board may be considered to represent the region in which they serve in their official capacity.

C. 1. After an initial staggering of terms, members of the Board shall serve terms of four years. No member shall be eligible to serve more than two terms. Any appointment to fill a vacancy shall be for the unexpired term. A person appointed to fill a vacancy may be appointed to serve two additional terms. Nonlegislative citizen members shall be citizens of the Commonwealth.

2. *Ex officio* members shall serve terms coincident with their terms of office.

D. Members of the Board shall receive such compensation for the performance of their duties as provided in § 2.2-2813. Members 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. Funding for the costs of compensation and expenses of the members shall be provided by the Consortium.

E. The Board shall be deemed a supervisory board within the meaning of § 2.2-2100.

F. The Board shall elect a chairman from the nonlegislative citizen members of the Board, and the Secretary of Commerce and Trade shall serve as vice-chairman. The Board shall elect a secretary and a treasurer, who need not be members of the Board, and may also elect other subordinate officers, who need not be members of the Board. The Board may also form advisory committees, which may include representatives who are not members of the Board, to undertake more extensive study and issues before the Board.

G. A majority of the members shall constitute a quorum for the transaction of the Partnership's business, and no vacancy in the membership shall impair the right of a quorum to exercise the rights and perform all duties of the Partnership. The Board shall meet at least quarterly or at the call of the chairman.

H. The Board shall appoint the chief executive officer of the Partnership, who shall not be a member of the Board and who shall serve at the pleasure of the Board and carry out such powers and duties conferred upon him by the Board.

§ 2.2-2254. Powers and duties of the Chief Executive Officer.

The Chief Executive Officer shall employ or retain such agents or employees subordinate to the Chief Executive Officer as may be necessary to fulfill the duties of the Partnership conferred upon the Chief Executive Officer, subject to the Board's approval. Employees of the Partnership 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, available to state employees as provided by law. The Chief Executive Officer shall also exercise such of the powers and duties relating to the direction of the Commonwealth's research and commercialization efforts conferred upon the Partnership as may be delegated to him by the Board, including powers and duties involving the exercise of discretion. The Chief Executive Officer shall also exercise and perform such other powers and duties as may be lawfully delegated to him or as may be conferred or imposed upon him by law.

§ 2.2-2355. Powers of the Partnership.

The Partnership is granted all powers necessary or convenient for the carrying out of its statutory purposes, including, but not limited to, the following rights and powers to:

1. Sue and be sued, implead and be impleaded, complain and defend in all courts.

2. Adopt, use, and alter at will a corporate seal.

3. Acquire, purchase, hold, use, lease or otherwise dispose of any project and property, real, personal or mixed, tangible or intangible, or any interest therein necessary or desirable for carrying out the purposes of the Partnership, and, without limitation of the foregoing, to lease as lessee, any project and any property, real, personal or mixed, or any interest therein, at such annual rental and on such terms and conditions as may be determined by the Board and to lease as lessor to any person, any project and any property, real, personal or mixed, tangible or intangible, or any interest therein, at any time acquired by the Partnership, whether wholly or partially completed, at such annual rental and on such terms and conditions as may be determined by the Board, and to sell, transfer or convey any property, real, personal or mixed, tangible or intangible or any interest therein, at any time acquired or held by the Partnership on such terms and conditions as may be determined by the board of the Partnership.

4. Plan, develop, undertake, carry out, construct, improve, rehabilitate, repair, furnish, maintain, and operate projects.

5. Adopt bylaws for the management and regulation of its affairs.

6. Establish and maintain satellite offices within the Commonwealth.

7. Fix, alter, charge, and collect rates, rentals, and other charges for the use of projects of, or for the sale of products of or for the services rendered by, the Partnership, at rates to be determined by it for the purpose of providing for the payment of the expenses of the Partnership, the planning, development, construction, improvement, rehabilitation, repair, furnishing, maintenance, and operation of its projects and properties, the payment of the costs accomplishing its purposes set forth in § 2.2-2351, the payment of the principal of and interest on its obligations, and to fulfill the terms and provisions of any agreements made with the purchasers or holders of any such obligations.

8. 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.

9. Employ, in its discretion, employees and agents as may be necessary, and to fix their

compensation to be payable from funds made available to the Partnership.

10. Receive and accept from any federal or private agency, foundation, corporation, association or person grants to be expended in accomplishing the objectives of the Partnership, and to receive and accept from the Commonwealth or any state, and any municipality, county or other political subdivision thereof and 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.

11. Render advice and assistance, and to provide services, to institutions of higher education and to other persons providing services or facilities for scientific and technological research or graduate education, provided that credit towards a degree, certificate or diploma shall be granted only if such education is provided in conjunction with an institution of higher education authorized to operate in Virginia.

12. Develop, undertake and provide programs, alone or in conjunction with any person or federal agency, for scientific and technological research, technology management, continuing education and in-service training, provided that credit towards a degree, certificate or diploma shall be granted only if such education is provided in conjunction with an institution of higher education authorized to operate in Virginia; to foster the utilization of scientific and technological research information, discoveries and data and to obtain patents, copyrights and trademarks thereon; to coordinate the scientific and technological research efforts of public institutions and private industry and to collect and maintain data on the development and utilization of scientific and technological research capabilities.

13. Pledge or otherwise encumber all or any of the revenues or receipts of the Partnership as security for all or any of the obligations of the Partnership.

14. Receive, administer, and market any interest in patents, copyrights and materials that were potentially patentable or copyrightable developed by or for state agencies, public institutions of higher education and political subdivisions of the Commonwealth.

15. Foster innovative partnerships and relationships among the Commonwealth, the Commonwealth's state institutions of higher education, the private sector, federal labs, and not-for-profit organizations to improve research and development commercialization efforts.

16. Receive and review annual reports from state institutions of higher education regarding the progress of projects funded through the Partnership. The Partnership shall develop guidelines, methodologies, and criteria for the reports. The Consortium shall aggregate the reports and submit an annual omnibus report on the status of research and development initiatives in the Commonwealth to the Governor and the chairmen of the Senate Finance Committee, the House Appropriations Committee, the Senate Committee on General Laws and Technology, and the House Committee on Science and Technology.

17. Administer grant, loan, and investment programs as authorized by this article. The Partnership shall develop guidelines, subject to the approval of the Board, for the application, review, and award of grants, loans, and investments under the provisions of this article. These guidelines shall address, at a minimum, the application process and, where appropriate, shall give special emphasis to fostering collaboration between institutions of higher education and partnerships between institutions of higher education and business and industry.

18. Establish and administer, through any nonstock, nonprofit corporation established by the Partnership, investment funds that may accept funds from any source, public or private, to support venture capital activities in the Commonwealth. The administration of any such investment fund shall be advised by the Division of Investment Advisory Committee created pursuant to this article.

19. Do all acts and things necessary or convenient to carry out the powers granted to it by law.

§ 2.2-2356. Reporting Requirements

No later than December 1, the Partnership and the Chief Executive Officer shall report annually to the Governor and the Chairmen of the House Committee on Appropriations, the House Committee on Science and Technology, the Senate Committee on Finance, and the Senate Committee on General Laws and Technology, regarding a review of the Partnership's initiatives and projects, its work plan for the year and the expected results therefrom, and an overview of the results that it has achieved to date, to assist the Commonwealth in its effort to stimulate, encourage, and promote the development of technology and science in the Commonwealth and sound public policies related thereto.

§ 2.2-2357. Nonstock corporation to assist the Partnership.

A. The Board shall establish nonprofit, nonstock corporations under Chapter 10 (§ 13.1-801 et seq.) of Title 13.1 as public instrumentalities exercising public and essential governmental functions to assist the Board and Partnership in carrying out the purposes of this article. The board of directors of the nonstock corporation shall consist of the 13 members of the Board. The articles of incorporation of the nonstock corporation shall provide that upon dissolution the net assets of the corporation shall be transferred to the Commonwealth. The nonstock corporation shall ensure that the economic benefits

attributable to the income and property rights arising from any transactions in which the nonstock corporation is involved are allocated on a basis that is equitable in the reasonable business judgment of the board of directors, with due account being given to the interest of the citizens of the Commonwealth and the needs of the nonstock corporation. Any such nonstock corporation shall not be deemed to be a state or governmental agency, advisory agency, public body or agency or instrumentality for purposes of Chapters 8 (§ 2.2-800 et seq.), 18 (§ 2.2-1800 et seq.), 24 (§ 2.2-2400 et seq.), 29 (§ 2.2-2900 et seq.), 31 (§ 2.2-3100 et seq.), 37 (§ 2.2-3700 et seq.), 38 (§ 2.2-3800 et seq.), 43 (§ 2.2-4300 et seq.), 44 (§ 2.2-4400 et seq.), 45 (§ 2.2-4500 et seq.), 46 (§ 2.2-4600 et seq.), and 47 (§ 2.2-4700 et seq.), Chapter 14 (§ 30-130 et seq.) of Title 30, or Chapter 1 (§ 51.1-124.1 et seq.) of Title 51.1. No director, officer or employee of any such nonstock corporation or entity be shall deemed to be an officer or employee for purposes of Chapter 31 (§ 2.2-3100 et seq.). Notwithstanding the foregoing, the Auditor of Public Accounts, or his legally authorized representatives, shall annually audit the financial accounts of the Authority and any such nonstock corporation entity, provided that the working papers and files of the Auditor of Public Accounts relating to such audits shall not be subject to the provisions of The Freedom of Information Act (§ 2.2-3700 et seq.).

B. Notwithstanding the provisions of subsection A, as an entity receiving state funds, any such nonstock corporation shall be subject to periodic external review either (i) under the provisions of the Legislative Program Review and Evaluation Act (§ 30-64 et seq.) or (ii) by an entity appointed for that purpose by the Governor. Any such nonstock corporation shall be deemed to be an institution of higher education within the meaning of §§ 23.1-101 and 23.1-103, but only for the limited purposes therein stated.

C. The corporation may create such technical advisory committees as necessary to assist with carrying out the duties and responsibilities assigned to it by the Board.

§ 2.2-2358. Divisions of Research.

A. Within the Partnership shall be created a Division of Research that shall be responsible for reviewing, vetting, tracking, and administering grants and loans; coordinating commercialization of research activities within and between institutions of higher education, federal and state agencies, private entities that license research; and undertaking special initiatives administered by or through the Partnership or a locality in conjunction with Authority-administered incentives, including those listed in § 2.2-206.2.

B. 1. The Board shall establish an Advisory Committee for the Division of Research (Research Committee) consisting of the following: (i) the vice-provosts of research at each major state institution of higher education; (ii) five nonlegislative citizen members with significant and proven expertise in commercialization of research, to be appointed by the Governor; and (iii) four nonlegislative citizen members with significant and proven expertise in commercialization of research, to be appointed by the Joint Rules Committee.

2. After the initial staggering of terms, nonlegislative citizen members shall be appointed for a term of two years. Appointments to fill vacancies, other than by expiration of a term, shall be for the unexpired terms. Vacancies shall be filled in the same manner as the original appointments. All members may be reappointed. Members shall serve without compensation, 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. Staffing of the Research Committee shall be provided by the Partnership. The Research Committee shall elect a chair and a vice-chair from among its membership. A majority of the members shall constitute a quorum.

C. The Division of Research shall be responsible for administering the Virginia Research Investment Fund established pursuant to § 2.2-2359 and the Commonwealth Research and Commercialization Fund established pursuant to § 2.2-2360.

§ 2.2-2359. Virginia Research Investment Fund.

A. There is hereby created in the state treasury a special nonreverting revolving fund to be known as the Virginia Research Investment Fund. The Fund shall be established on the books of the Comptroller. All moneys appropriated by the General Assembly for the Fund, and from any other sources public or private, shall be paid into the state treasury and credited to the Fund. Interest and other income earned on the Fund shall be credited to the Fund. Any moneys remaining in the Fund, including interest and other income thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund.

B. 1. Notwithstanding any other provision of law, the General Assembly may specifically designate that certain moneys appropriated to the Fund be invested, reinvested, and managed by the Board of Trustees as provided in § 51.1-124.38. The State Treasurer shall not be held liable for losses suffered by the Virginia Retirement System on investments made under the authority of this subsection.

2. No more than \$4 million of moneys so invested, net of any administrative fee assessed pursuant to subsection E of § 51.1-124.38, may be awarded through grants or loans in a fiscal year for any purpose permitted by this article. At the direction of the Board, the State Comptroller may annually request a

disbursement of \$4 million from the moneys invested by the Board of Trustees, to be held with other moneys in the Fund not subject to such investment. At the end of each fiscal year, if less than \$4 million of such annual allocation is awarded as grants or loans in a calendar year, the Comptroller shall return the remainder of the annual \$4 million allocation to the Board of Trustees for reinvestment pursuant to § 51.1-124.38.

3. Any loans awarded pursuant to this article shall be paid by the Comptroller from the \$4 million annual allocation set forth in subdivision 2. The recipient of a loan shall repay the loan pursuant to the terms set forth by the Board. At the end of each fiscal year, the Comptroller shall return any repayments received from loan recipients to the Board of Trustees for reinvestment pursuant to § 51.1-124.38.

4. Moneys in the Fund may be used to pay administrative fees assessed by the Board of Trustees for its services in investing Fund moneys pursuant to § 51.1-124.38.

C. Moneys in the Fund shall be used for grants and loans to foster innovative and collaborative research, development, and commercialization efforts in the Commonwealth in projects and programs with a high potential for economic development and job creation opportunities; to position the Commonwealth as a national leader in science-based and technology-based research, development, and commercialization; and to encourage cooperation and collaboration among public institutions of higher education, and with the private sector, in areas and with activities that foster economic development and job creation in the Commonwealth.

D. 1. The Division of Research shall develop, in cooperation with the Research Committee and subject to approval by the Board, guidelines, procedures, and criteria for (i) the application for grants and loans from the Fund; (ii) the review, certification of scientific merits, and scoring or prioritization of applications for grants and loans from the Fund; and (ii) the evaluation, recommendation, and approval of grants and loans from the Funds.

2. The guidelines, procedures, and criteria shall include requirements that applicants demonstrate and the Partnership and the Board consider: (i) other grants, awards, loans, or funds awarded to the proposed program or project by the Commonwealth; (ii) other applications from the applicant for state grants, awards, loans, or funds currently pending at the time of the application; and (iii) the potential of the program or project for which a grant or loan is sought to (a) culminate in the commercialization of research; (b) culminate in the formation or spin-off of technology-based companies; (c) promote the build-out of scientific areas of expertise in science and technology; (d) promote applied research and development in the areas of focus identified by the Partnership; (e) provide modern facilities or infrastructure for research and development; (f) result in significant capital investment and job creation; or (g) promote collaboration among the public institutions of higher education.

E. The Research Division shall forward any application for a grant or loan from the Fund to an entity with recognized science and technology expertise for a review and certification of the scientific merits of the proposal, including a scoring or prioritization of applicant programs and projects deemed viable by the reviewing entity. Such entities may include the Virginia Biosciences Health Research Corporation; the Virginia Academy of Science, Engineering and Medicine; or any other entity deemed appropriate by the Research Division or Partnership, including a scientific advisory committee created by the Partnership for the sole purpose of reviewing one or more applications received pursuant to this article.

F. The disbursement of grants and loans, and the payment of administrative costs and service fees, from the Fund shall be made by the State Comptroller at the written request of the Board.

§ 2.2-2360. Commonwealth Research Commercialization Fund; continued; purposes; report.

A. For purposes of this section:

"Qualified research and technologies" means research programs or technologies identified by the Board as areas of focus for technology investment in the Commonwealth.

"Qualifying institution" means (i) a public or private institution of higher education in the Commonwealth or its associated intellectual property foundation that adopts a policy regarding the ownership, protection, assignment, and use of intellectual property pursuant to subdivision B 14 of § 23.1-1303 or (ii) a federal research facility located in the Commonwealth.

"SBIR" means the Small Business Innovation Research Program authorized under 15 U.S.C. § 638.

"STTR" means the Small Business Technology Transfer Program authorized under 15 U.S.C. § 638.

B. From such funds as may be appropriated by the General Assembly and any gifts, grants, or donations from public or private sources, there is created in the state treasury a special nonreverting, permanent fund, to be known as the Commonwealth Research Commercialization Fund (the Fund), to be administered by the Partnership. The Fund shall be established on the books of the Comptroller. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund at the end of each fiscal year, including interest thereon, shall not revert to the general fund but shall remain in the Fund. Expenditures and disbursements from the Fund, which may consist of

551 grants or loans, shall be made by the State Treasurer on warrants issued by the Comptroller upon
552 written request of the Board.

553 C. The Division of Research shall develop, in cooperation with the Research Committee and subject
554 to approval by the Board, guidelines, procedures, and criteria for (i) the application for grants and
555 loans from the Fund; (ii) the review, certification of scientific merits, and scoring or prioritization of
556 applications for grants and loans from the Fund; and (ii) the evaluation, recommendation, and approval
557 of grants and loans from the Funds.

558 D. Awards from the Fund may be granted for the following programs:

559 1. For fiscal years beginning with a Fund balance of less than \$7 million, an SBIR matching funds
560 program for Virginia-based technology businesses. Businesses meeting the following criteria shall be
561 eligible to apply for an award:

562 a. The applicant has received a Phase I SBIR award from the National Institute of Health targeted
563 at the development of qualified research or technologies;

564 b. The applicant employs fewer than 12 full-time employees;

565 c. At least 51 percent of the applicant's employees reside in Virginia; and

566 d. At least 51 percent of the applicant's property is located in Virginia.

567 The length of time that a business has been incorporated shall have no bearing on an applicant's
568 eligibility for an award. Applicants shall be eligible for matching grants of up to \$50,000 of the Phase I
569 award. All applicants shall be required to submit a commercialization plan with their application.

570 2. For fiscal years beginning with a Fund balance of \$7 million or greater, an SBIR and STTR
571 matching funds program for Virginia-based technology businesses. Businesses meeting the following
572 criteria shall be eligible to apply for an award:

573 a. The applicant has received an SBIR or STTR award targeted at the development of qualified
574 research or technologies;

575 b. The applicant employs fewer than 12 full-time employees;

576 c. At least 51 percent of the applicant's employees reside in Virginia; and

577 d. At least 51 percent of the applicant's property is located in Virginia.

578 The length of time that a business has been incorporated shall have no bearing on an applicant's
579 eligibility for an award. Applicants shall be eligible for matching grants of up to \$100,000 for Phase I
580 awards and up to \$500,000 for Phase II awards. All applicants shall be required to submit a
581 commercialization plan with their application.

582 3. A matching funds program to assist qualifying institutions and other research institutions in
583 leveraging federal and private funds designated for the commercialization of qualified research or
584 technologies. The chairman of the Board is authorized to issue letters of financial commitment to assist
585 applicants in leveraging federal and private funds.

586 4. A commercialization program to incentivize the commercialization of a product or service related
587 to a qualifying technology. An eligible applicant shall have operations in the Commonwealth, and the
588 project proposed by the applicant shall:

589 a. Commercialize a product or service related to a qualifying technology;

590 b. Have a demonstrable economic development benefit to the Commonwealth;

591 c. Match the award, on at least a one-to-one basis, from other available funds, including funds from
592 an institution of higher education collaborating on the project; and

593 d. Have a reasonable probability of enhancing the Commonwealth's national and global
594 competitiveness.

595 Priority shall be given to those applications that propose projects that (i) are collaborative between
596 private and nonprofit entities, public or private agencies, and qualifying institutions or research
597 institutions; (ii) project a short time to commercialization, although transformative projects with a
598 longer projected time to commercialization shall not be discounted; (iii) have active third-party equity
599 holders; (iv) have technology and management in place that are likely to successfully bring the product
600 or service to the marketplace; or (v) are from applicants who have a history of successful projects
601 funded by the Fund. The length of time that a business has been incorporated shall have no bearing on
602 an applicant's eligibility for an award.

603 5. An eminent researcher recruitment program to acquire and enhance research superiority at public
604 qualifying institutions. For purposes of applications pursuant to this subdivision, the applicant shall be a
605 public institution of higher education. In order to qualify for an award, the applicant shall:

606 a. Demonstrate that the researcher being recruited would create research superiority at the
607 institution;

608 b. Demonstrate that the institution making the application has sufficient technology transfer processes
609 and other research capabilities in place to meet the needs of the researcher being recruited;

610 c. Involve a private sector partner with business operations in the Commonwealth;

611 d. Demonstrate that the research conducted by the researcher is in a qualifying technology; and

612 e. Match the award, on at least a one-to-one basis, with 50 percent of the match from the applicant

and 50 percent of the match from the private sector partner.

E. Any application for an award from the Fund shall include a strategic plan that, at a minimum, identifies (i) how the proposed project fits into the priorities identified by the Board, (ii) other funds that may be reasonably expected from other sources as a result of an award from the Fund, (iii) the potential for commercialization of the research or technology underlying the application, and (iv) opportunities for public and private collaboration.

F. No award shall be made from the Fund until a performance agreement or memorandum of understanding is agreed to by the Partnership and the recipient of the award memorializing the terms and conditions of the award. Such agreement or memorandum of understanding shall set forth any conditions for receipt of the award, any dates certain for the completion of certain acts by the recipient, and provisions for the repayment of any award, including the rate of interest to be charged if any, if the recipient does not meet the terms of the agreement. In the event that an award is to be made over a multi-year period, the performance agreement or memorandum of understanding shall establish certain benchmarks or performance standards against which to measure the interim success of the project before additional funds are disbursed from the Fund.

G. Administrative expenses related to implementing the guidelines and review process may be reimbursed from the Fund.

§ 2.2-2361. Division of Entrepreneurship.

A. Within the Partnership shall be created a Division of Entrepreneurship that shall be responsible for coordinating, marketing, programing, and networking Virginia's entrepreneurial ecosystems.

B. 1. The Board shall establish an Advisory Committee for the Division of Entrepreneurship (Entrepreneurship Committee) consisting of eleven nonlegislative citizen members with significant and proven experience as a company founder, investor, or entrepreneurial ecosystem organizer as follows: (i) five nonlegislative citizen members, at least one of whom shall be from Northern Virginia, one of whom shall be from Hampton Roads, and one of whom shall be from Richmond, to be appointed by the Governor; and (ii) four nonlegislative citizen members to be appointed by the Joint Rules Committee.

2. After the initial staggering of terms, nonlegislative citizen members shall be appointed for a term of two years. Appointments to fill vacancies, other than by expiration of a term, shall be for the unexpired terms. Vacancies shall be filled in the same manner as the original appointments. All members may be reappointed. Members appointed to the Committee shall serve without compensation 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. Staffing of the Entrepreneurship Committee shall be provided by the Authority. The Committee shall elect a chairman and vice-chairman from among its membership. A majority of the members shall constitute a quorum.

§ 2.2-2362. Division of Investment.

A. Within the Partnership shall be created a Division of Investment that shall be responsible for coordinating activities of existing public and private funding vehicles and locality in conjunction with Authority-administered incentives, including those listed in § 2.2-206.2.

B. 1. To assist the Board, Partnership, and any nonstock entity established by the Board in fulfilling its fiduciary duty as trustee of venture capital funds established pursuant to this chapter, the Board shall appoint an Advisory Committee for the Division of Investment (Investment Committee) to provide sophisticated, objective, and prudent investment advice. The Investment Committee shall consist of the chair of the Advisory Committee for Research, chair of the Advisory Committee for Entrepreneurship, the president and chief executive officer of the Virginia Economic Development Partnership, all of whom shall serve ex officio, and seven nonlegislative citizen members with significant and proven expertise as an investor in early-stage businesses to be appointed as follows: (i) four nonlegislative citizen members, at least one of whom shall be from Northern Virginia, one of whom shall be from Hampton Roads, and one of whom shall be from Richmond, to be appointed by the Governor, subject to approval of the General Assembly; and (ii) three nonlegislative citizen members to be appointed by the Joint Rules Committee.

2. After the initial staggering of terms, nonlegislative citizen members shall be appointed for a term of two years. Appointments to fill vacancies, other than by expiration of a term, shall be for the unexpired terms. Vacancies shall be filled in the same manner as the original appointments. All members may be reappointed. Members appointed to the Committee shall serve without compensation 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. Staffing of the Committee shall be provided by the Partnership. The Committee shall elect a chairman and vice-chairman from among its membership. A majority of the members shall constitute a quorum.

C. The Partnership may accept, receive, receipt for, disburse, and expend federal and state moneys and other moneys, public or private, made available by grant or loan or both or otherwise, to accomplish, in whole or in part, any of the purposes of this article. All federal moneys accepted under

674 *this section shall be accepted and expended by the Authority upon such terms and conditions as are*
675 *prescribed by the United States and as are consistent with state law; and all state moneys accepted*
676 *under this section shall be accepted and expended by the Authority upon such terms and conditions as*
677 *are prescribed by the Commonwealth.*

678 **§ 2.2-2363. Moneys of Partnership; examination of books by the Auditor of Public Accounts.**

679 *All moneys of the Partnership, from whatever source derived, shall be paid to the treasurer of the*
680 *Partnership. Such moneys shall be deposited in the first instance by the treasurer in one or more banks*
681 *or trust companies, in one or more special accounts. All banks and trust companies are authorized to*
682 *give such security for such deposits, if required by the Partnership. The moneys in such accounts shall*
683 *be paid out on the warrant or other order of the treasurer of the Partnership or of other persons as the*
684 *Partnership may authorize to execute such warrants or orders. The Auditor of Public Accounts or his*
685 *legally authorized representatives, shall examine the accounts and books of the Partnership.*

686 **§ 2.2-2364. Exemption from taxes or assessments.**

687 *The exercise of the powers granted by this article shall be in all respects for the benefit of the*
688 *people of the Commonwealth, for the increase of their commerce and prosperity, and for the*
689 *improvement of their health and living conditions, and as the operation and maintenance of projects by*
690 *the Partnership and the undertaking of activities in furtherance of the purpose of the Partnership*
691 *constitute the performance of essential governmental functions, the Partnership shall not be required to*
692 *pay any taxes or assessments upon any project or any property acquired or used by the Partnership*
693 *under the provisions of this article or upon the income therefrom, including sales and use taxes on*
694 *tangible personal property used in the operations of the Partnership, shall at all times be free from state*
695 *and local taxation. The exemption granted in this section shall not be construed to extend to persons*
696 *conducting on the premises of a facility businesses for which local or state taxes would otherwise be*
697 *required.*

698 **§ 2.2-2365. Exemption of Partnership from personnel and procurement procedures.**

699 *The provisions of the Virginia Personnel Act (§ 2.2-2900 et seq.) of and the Virginia Public*
700 *Procurement Act (§ 2.2-4300 et seq.) of this title shall not apply to the Partnership in the exercise of*
701 *any power conferred under this article.*

702 **§ 2.2-3705.6. Exclusions to application of chapter; proprietary records and trade secrets.**

703 *The following information contained in a public record is excluded from the mandatory disclosure*
704 *provisions of this chapter but may be disclosed by the custodian in his discretion, except where such*
705 *disclosure is prohibited by law. Redaction of information excluded under this section from a public*
706 *record shall be conducted in accordance with § 2.2-3704.01.*

707 *1. Proprietary information gathered by or for the Virginia Port Authority as provided in § 62.1-132.4*
708 *or 62.1-134.1.*

709 *2. Financial statements not publicly available filed with applications for industrial development*
710 *financings in accordance with Chapter 49 (§ 15.2-4900 et seq.) of Title 15.2.*

711 *3. Proprietary information, voluntarily provided by private business pursuant to a promise of*
712 *confidentiality from a public body, used by the public body for business, trade, and tourism*
713 *development or retention; and memoranda, working papers, or other information related to businesses*
714 *that are considering locating or expanding in Virginia, prepared by a public body, where competition or*
715 *bargaining is involved and where disclosure of such information would adversely affect the financial*
716 *interest of the public body.*

717 *4. Information that was filed as confidential under the Toxic Substances Information Act (§ 32.1-239*
718 *et seq.), as such Act existed prior to July 1, 1992.*

719 *5. Fisheries data that would permit identification of any person or vessel, except when required by*
720 *court order as specified in § 28.2-204.*

721 *6. Confidential financial statements, balance sheets, trade secrets, and revenue and cost projections*
722 *provided to the Department of Rail and Public Transportation, provided such information is exempt*
723 *under the federal Freedom of Information Act or the federal Interstate Commerce Act or other laws*
724 *administered by the Surface Transportation Board or the Federal Railroad Administration with respect to*
725 *data provided in confidence to the Surface Transportation Board and the Federal Railroad*
726 *Administration.*

727 *7. Proprietary information related to inventory and sales, voluntarily provided by private energy*
728 *suppliers to the Department of Mines, Minerals and Energy, used by that Department for energy*
729 *contingency planning purposes or for developing consolidated statistical information on energy supplies.*

730 *8. Confidential proprietary information furnished to the Board of Medical Assistance Services or the*
731 *Medicaid Prior Authorization Advisory Committee pursuant to Article 4 (§ 32.1-331.12 et seq.) of*
732 *Chapter 10 of Title 32.1.*

733 *9. Proprietary, commercial or financial information, balance sheets, trade secrets, and revenue and*
734 *cost projections provided by a private transportation business to the Virginia Department of*
735 *Transportation and the Department of Rail and Public Transportation for the purpose of conducting*

transportation studies needed to obtain grants or other financial assistance under the Transportation Equity Act for the 21st Century (P.L. 105-178) for transportation projects if disclosure of such information is exempt under the federal Freedom of Information Act or the federal Interstate Commerce Act or other laws administered by the Surface Transportation Board or the Federal Railroad Administration with respect to data provided in confidence to the Surface Transportation Board and the Federal Railroad Administration. However, the exclusion provided by this subdivision shall not apply to any wholly owned subsidiary of a public body.

10. Confidential information designated as provided in subsection F of § 2.2-4342 as trade secrets or proprietary information by any person in connection with a procurement transaction or by any person who has submitted to a public body an application for prequalification to bid on public construction projects in accordance with subsection B of § 2.2-4317.

11. a. Memoranda, staff evaluations, or other information prepared by the responsible public entity, its staff, outside advisors, or consultants exclusively for the evaluation and negotiation of proposals filed under the Public-Private Transportation Act of 1995 (§ 33.2-1800 et seq.) or the Public-Private Education Facilities and Infrastructure Act of 2002 (§ 56-575.1 et seq.) where (i) if such information was made public prior to or after the execution of an interim or a comprehensive agreement, § 33.2-1820 or 56-575.17 notwithstanding, the financial interest or bargaining position of the public entity would be adversely affected and (ii) the basis for the determination required in clause (i) is documented in writing by the responsible public entity; and

b. Information provided by a private entity to a responsible public entity, affected jurisdiction, or affected local jurisdiction pursuant to the provisions of the Public-Private Transportation Act of 1995 (§ 33.2-1800 et seq.) or the Public-Private Education Facilities and Infrastructure Act of 2002 (§ 56-575.1 et seq.) if disclosure of such information would reveal (i) trade secrets of the private entity as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.); (ii) financial information of the private entity, including balance sheets and financial statements, that are not generally available to the public through regulatory disclosure or otherwise; or (iii) other information submitted by the private entity where if such information was made public prior to the execution of an interim agreement or a comprehensive agreement, the financial interest or bargaining position of the public or private entity would be adversely affected. In order for the information specified in clauses (i), (ii), and (iii) to be excluded from the provisions of this chapter, the private entity shall make a written request to the responsible public entity:

(1) Invoking such exclusion upon submission of the data or other materials for which protection from disclosure is sought;

(2) Identifying with specificity the data or other materials for which protection is sought; and

(3) Stating the reasons why protection is necessary.

The responsible public entity shall determine whether the requested exclusion from disclosure is necessary to protect the trade secrets or financial information of the private entity. To protect other information submitted by the private entity from disclosure, the responsible public entity shall determine whether public disclosure prior to the execution of an interim agreement or a comprehensive agreement would adversely affect the financial interest or bargaining position of the public or private entity. The responsible public entity shall make a written determination of the nature and scope of the protection to be afforded by the responsible public entity under this subdivision. Once a written determination is made by the responsible public entity, the information afforded protection under this subdivision shall continue to be protected from disclosure when in the possession of any affected jurisdiction or affected local jurisdiction.

Except as specifically provided in subdivision 11 a, nothing in this subdivision shall be construed to authorize the withholding of (a) procurement records as required by § 33.2-1820 or 56-575.17; (b) information concerning the terms and conditions of any interim or comprehensive agreement, service contract, lease, partnership, or any agreement of any kind entered into by the responsible public entity and the private entity; (c) information concerning the terms and conditions of any financing arrangement that involves the use of any public funds; or (d) information concerning the performance of any private entity developing or operating a qualifying transportation facility or a qualifying project.

For the purposes of this subdivision, the terms "affected jurisdiction," "affected local jurisdiction," "comprehensive agreement," "interim agreement," "qualifying project," "qualifying transportation facility," "responsible public entity," and "private entity" shall mean the same as those terms are defined in the Public-Private Transportation Act of 1995 (§ 33.2-1800 et seq.) or in the Public-Private Education Facilities and Infrastructure Act of 2002 (§ 56-575.1 et seq.).

12. Confidential proprietary information or trade secrets, not publicly available, provided by a private person or entity pursuant to a promise of confidentiality to the Virginia Resources Authority or to a fund administered in connection with financial assistance rendered or to be rendered by the Virginia Resources Authority where, if such information were made public, the financial interest of the private

797 person or entity would be adversely affected.

798 13. Trade secrets, as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.), or confidential
799 proprietary information that is not generally available to the public through regulatory disclosure or
800 otherwise, provided by a (i) bidder or applicant for a franchise or (ii) franchisee under Chapter 21
801 (§ 15.2-2100 et seq.) of Title 15.2 to the applicable franchising authority pursuant to a promise of
802 confidentiality from the franchising authority, to the extent the information relates to the bidder's,
803 applicant's, or franchisee's financial capacity or provision of new services, adoption of new technologies
804 or implementation of improvements, where such new services, technologies, or improvements have not
805 been implemented by the franchisee on a nonexperimental scale in the franchise area, and where, if such
806 information were made public, the competitive advantage or financial interests of the franchisee would
807 be adversely affected.

808 In order for trade secrets or confidential proprietary information to be excluded from the provisions
809 of this chapter, the bidder, applicant, or franchisee shall (a) invoke such exclusion upon submission of
810 the data or other materials for which protection from disclosure is sought, (b) identify the data or other
811 materials for which protection is sought, and (c) state the reason why protection is necessary.

812 No bidder, applicant, or franchisee may invoke the exclusion provided by this subdivision if the
813 bidder, applicant, or franchisee is owned or controlled by a public body or if any representative of the
814 applicable franchising authority serves on the management board or as an officer of the bidder,
815 applicant, or franchisee.

816 14. Information of a proprietary or confidential nature furnished by a supplier or manufacturer of
817 charitable gaming supplies to the Department of Agriculture and Consumer Services (i) pursuant to
818 subsection E of § 18.2-340.34 and (ii) pursuant to regulations promulgated by the Charitable Gaming
819 Board related to approval of electronic and mechanical equipment.

820 15. Information related to Virginia apple producer sales provided to the Virginia State Apple Board
821 pursuant to § 3.2-1215.

822 16. Trade secrets, as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.) of Title 59.1,
823 submitted by CMRS providers as defined in § 56-484.12 to the former Wireless Carrier E-911 Cost
824 Recovery Subcommittee created pursuant to former § 56-484.15, relating to the provision of wireless
825 E-911 service.

826 17. Information relating to a grant or loan application, or accompanying a grant or loan application,
827 to the Innovation and Entrepreneurship Investment Authority pursuant to Article 3 (§ 2.2-2233.1 et seq.)
828 of Chapter 22 of Title 2.2 or to the Commonwealth Health Research Board pursuant to Chapter 5.3
829 (§ 32.1-162.23 et seq.) of Title 32.1 if disclosure of such information would (i) reveal proprietary
830 business or research-related information produced or collected by the applicant in the conduct of or as a
831 result of study or research on medical, rehabilitative, scientific, technical, technological, or scholarly
832 issues, when such information has not been publicly released, published, copyrighted, or patented, and
833 (ii) be harmful to the competitive position of the applicant.

834 18. Confidential proprietary information and trade secrets developed and held by a local public body
835 (i) providing telecommunication services pursuant to § 56-265.4:4 and (ii) providing cable television
836 services pursuant to Article 1.1 (§ 15.2-2108.2 et seq.) of Chapter 21 of Title 15.2 if disclosure of such
837 information would be harmful to the competitive position of the locality.

838 In order for confidential proprietary information or trade secrets to be excluded from the provisions
839 of this chapter, the locality in writing shall (a) invoke the protections of this subdivision, (b) identify
840 with specificity the information for which protection is sought, and (c) state the reasons why protection
841 is necessary. However, the exemption provided by this subdivision shall not apply to any authority
842 created pursuant to the BVU Authority Act (§ 15.2-7200 et seq.).

843 19. Confidential proprietary information and trade secrets developed by or for a local authority
844 created in accordance with the Virginia Wireless Service Authorities Act (§ 15.2-5431.1 et seq.) to
845 provide qualifying communications services as authorized by Article 5.1 (§ 56-484.7:1 et seq.) of
846 Chapter 15 of Title 56, where disclosure of such information would be harmful to the competitive
847 position of the authority, except that information required to be maintained in accordance with
848 § 15.2-2160 shall be released.

849 20. Trade secrets as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.) or financial
850 information of a business, including balance sheets and financial statements, that are not generally
851 available to the public through regulatory disclosure or otherwise, provided to the Department of Small
852 Business and Supplier Diversity as part of an application for certification as a small, women-owned, or
853 minority-owned business in accordance with Chapter 16.1 (§ 2.2-1603 et seq.). In order for such trade
854 secrets or financial information to be excluded from the provisions of this chapter, the business shall (i)
855 invoke such exclusion upon submission of the data or other materials for which protection from
856 disclosure is sought, (ii) identify the data or other materials for which protection is sought, and (iii) state
857 the reasons why protection is necessary.

858 21. Information of a proprietary or confidential nature disclosed by a carrier to the State Health

Commissioner pursuant to §§ 32.1-276.5:1 and 32.1-276.7:1.

22. Trade secrets, as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.), including, but not limited to, financial information, including balance sheets and financial statements, that are not generally available to the public through regulatory disclosure or otherwise, and revenue and cost projections supplied by a private or nongovernmental entity to the State Inspector General for the purpose of an audit, special investigation, or any study requested by the Office of the State Inspector General in accordance with law.

In order for the information specified in this subdivision to be excluded from the provisions of this chapter, the private or nongovernmental entity shall make a written request to the State Inspector General:

a. Invoking such exclusion upon submission of the data or other materials for which protection from disclosure is sought;

b. Identifying with specificity the data or other materials for which protection is sought; and

c. Stating the reasons why protection is necessary.

The State Inspector General shall determine whether the requested exclusion from disclosure is necessary to protect the trade secrets or financial information of the private entity. The State Inspector General shall make a written determination of the nature and scope of the protection to be afforded by it under this subdivision.

23. Information relating to a grant application, or accompanying a grant application, submitted to the Tobacco Region Revitalization Commission that would (i) reveal (a) trade secrets as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.), (b) financial information of a grant applicant that is not a public body, including balance sheets and financial statements, that are not generally available to the public through regulatory disclosure or otherwise, or (c) research-related information produced or collected by the applicant in the conduct of or as a result of study or research on medical, rehabilitative, scientific, technical, technological, or scholarly issues, when such information has not been publicly released, published, copyrighted, or patented, and (ii) be harmful to the competitive position of the applicant; and memoranda, staff evaluations, or other information prepared by the Commission or its staff exclusively for the evaluation of grant applications. The exclusion provided by this subdivision shall apply to grants that are consistent with the powers of and in furtherance of the performance of the duties of the Commission pursuant to § 3.2-3103.

In order for the information specified in this subdivision to be excluded from the provisions of this chapter, the applicant shall make a written request to the Commission:

a. Invoking such exclusion upon submission of the data or other materials for which protection from disclosure is sought;

b. Identifying with specificity the data, information or other materials for which protection is sought; and

c. Stating the reasons why protection is necessary.

The Commission shall determine whether the requested exclusion from disclosure is necessary to protect the trade secrets, financial information, or research-related information of the applicant. The Commission shall make a written determination of the nature and scope of the protection to be afforded by it under this subdivision.

24. a. Information held by the Commercial Space Flight Authority relating to rate structures or charges for the use of projects of, the sale of products of, or services rendered by the Authority if disclosure of such information would adversely affect the financial interest or bargaining position of the Authority or a private entity providing the information to the Authority; or

b. Information provided by a private entity to the Commercial Space Flight Authority if disclosure of such information would (i) reveal (a) trade secrets of the private entity as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.); (b) financial information of the private entity, including balance sheets and financial statements, that are not generally available to the public through regulatory disclosure or otherwise; or (c) other information submitted by the private entity and (ii) adversely affect the financial interest or bargaining position of the Authority or private entity.

In order for the information specified in clauses (a), (b), and (c) of subdivision 24 b to be excluded from the provisions of this chapter, the private entity shall make a written request to the Authority:

(1) Invoking such exclusion upon submission of the data or other materials for which protection from disclosure is sought;

(2) Identifying with specificity the data or other materials for which protection is sought; and

(3) Stating the reasons why protection is necessary.

The Authority shall determine whether the requested exclusion from disclosure is necessary to protect the trade secrets or financial information of the private entity. To protect other information submitted by the private entity from disclosure, the Authority shall determine whether public disclosure would adversely affect the financial interest or bargaining position of the Authority or private entity. The

920 Authority shall make a written determination of the nature and scope of the protection to be afforded by
921 it under this subdivision.

922 25. Information of a proprietary nature furnished by an agricultural landowner or operator to the
923 Department of Conservation and Recreation, the Department of Environmental Quality, the Department
924 of Agriculture and Consumer Services, or any political subdivision, agency, or board of the
925 Commonwealth pursuant to §§ 10.1-104.7, 10.1-104.8, and 10.1-104.9, other than when required as part
926 of a state or federal regulatory enforcement action.

927 26. Trade secrets, as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.), provided to the
928 Department of Environmental Quality pursuant to the provisions of § 10.1-1458. In order for such trade
929 secrets to be excluded from the provisions of this chapter, the submitting party shall (i) invoke this
930 exclusion upon submission of the data or materials for which protection from disclosure is sought, (ii)
931 identify the data or materials for which protection is sought, and (iii) state the reasons why protection is
932 necessary.

933 27. Information of a proprietary nature furnished by a licensed public-use airport to the Department
934 of Aviation for funding from programs administered by the Department of Aviation or the Virginia
935 Aviation Board, where if such information was made public, the financial interest of the public-use
936 airport would be adversely affected.

937 In order for the information specified in this subdivision to be excluded from the provisions of this
938 chapter, the public-use airport shall make a written request to the Department of Aviation:

939 a. Invoking such exclusion upon submission of the data or other materials for which protection from
940 disclosure is sought;

941 b. Identifying with specificity the data or other materials for which protection is sought; and

942 c. Stating the reasons why protection is necessary.

943 28. Information relating to a grant or loan application, or accompanying a grant or loan application,
944 submitted to the ~~Virginia Research Investment Committee~~ *Partnership for Innovation and*
945 *Entrepreneurship Authority (the Partnership)* established pursuant to Article 8 (~~§ 23.1-3130 et seq.~~) of
946 ~~Chapter 34 of Title 23.1~~ 11 (~~§ 2.2-2351 et seq.~~) of Chapter 22, *an advisory committee of the*
947 *Partnership, or other entity designated by the Partnership to review such applications*, to the extent that
948 such records would (i) reveal (a) trade secrets as defined in the Uniform Trade Secrets Act (§ 59.1-336
949 et seq.); (b) financial information of a party to a grant or loan application that is not a public body,
950 including balance sheets and financial statements, that are not generally available to the public through
951 regulatory disclosure or otherwise; or (c) research-related information produced or collected by a party
952 to the application in the conduct of or as a result of study or research on medical, rehabilitative,
953 scientific, technical, technological, or scholarly issues, when such information has not been publicly
954 released, published, copyrighted, or patented, and (ii) be harmful to the competitive position of a party
955 to a grant or loan application; and memoranda, staff evaluations, or other information prepared by the
956 ~~Committee~~ *Partnership, an advisory committee, other entity designated by the Partnership to review*
957 *applications, or its staff, or a reviewing entity pursuant to subsection D of § 23.1-3133*, exclusively for
958 the evaluation of grant or loan applications, including any scoring or prioritization documents prepared
959 for and forwarded to the ~~Committee~~ pursuant to subsection D of § 23.1-3133.

960 In order for the information submitted by the applicant and specified in this subdivision to be
961 excluded from the provisions of this chapter, the applicant shall make a written request to the
962 ~~Committee~~ *Partnership*:

963 a. Invoking such exclusion upon submission of the data or other materials for which protection from
964 disclosure is sought;

965 b. Identifying with specificity the data, information, or other materials for which protection is sought;
966 and

967 c. Stating the reasons why protection is necessary.

968 The ~~Virginia Research Investment Committee~~ *Partnership* shall determine whether the requested
969 exclusion from disclosure is necessary to protect the trade secrets, financial information, or
970 research-related information of the party to the application. The ~~Committee~~ *Partnership* shall make a
971 written determination of the nature and scope of the protection to be afforded by it under this
972 subdivision.

973 29. Proprietary information, voluntarily provided by a private business pursuant to a promise of
974 confidentiality from a public body, used by the public body for a solar services agreement, where
975 disclosure of such information would (i) reveal (a) trade secrets of the private business as defined in the
976 Uniform Trade Secrets Act (§ 59.1-336 et seq.); (b) financial information of the private business,
977 including balance sheets and financial statements, that are not generally available to the public through
978 regulatory disclosure or otherwise; or (c) other information submitted by the private business and (ii)
979 adversely affect the financial interest or bargaining position of the public body or private business.

980 In order for the information specified in clauses (i)(a), (b), and (c) to be excluded from the
981 provisions of this chapter, the private business shall make a written request to the public body:

a. Invoking such exclusion upon submission of the data or other materials for which protection from disclosure is sought;

b. Identifying with specificity the data or other materials for which protection is sought; and

c. Stating the reasons why protection is necessary.

30. Information contained in engineering and construction drawings and plans submitted for the sole purpose of complying with the Building Code in obtaining a building permit if disclosure of such information would identify specific trade secrets or other information that would be harmful to the competitive position of the owner or lessee. However, such information shall be exempt only until the building is completed. Information relating to the safety or environmental soundness of any building shall not be exempt from disclosure.

31. Trade secrets, as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.), including, but not limited to, financial information, including balance sheets and financial statements that are not generally available to the public through regulatory disclosure or otherwise, and revenue and cost projections supplied by a private or nongovernmental entity to the Virginia Department of Transportation for the purpose of an audit, special investigation, or any study requested by the Virginia Department of Transportation in accordance with law.

In order for the records specified in this subdivision to be excluded from the provisions of this chapter, the private or nongovernmental entity shall make a written request to the Department:

a. Invoking such exclusion upon submission of the data or other materials for which protection from disclosure is sought;

b. Identifying with specificity the data or other materials for which protection is sought; and

c. Stating the reasons why protection is necessary.

The Virginia Department of Transportation shall determine whether the requested exclusion from disclosure is necessary to protect trade secrets or financial records of the private entity. The Virginia Department of Transportation shall make a written determination of the nature and scope of the protection to be afforded by it under this subdivision.

§ 2.2-3711. Closed meetings authorized for certain limited purposes.

A. Public bodies may hold closed meetings only for the following purposes:

1. Discussion, consideration, or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body; and evaluation of performance of departments or schools of public institutions of higher education where such evaluation will necessarily involve discussion of the performance of specific individuals. Any teacher shall be permitted to be present during a closed meeting in which there is a discussion or consideration of a disciplinary matter that involves the teacher and some student and the student involved in the matter is present, provided the teacher makes a written request to be present to the presiding officer of the appropriate board. Nothing in this subdivision, however, shall be construed to authorize a closed meeting by a local governing body or an elected school board to discuss compensation matters that affect the membership of such body or board collectively.

2. Discussion or consideration of admission or disciplinary matters or any other matters that would involve the disclosure of information contained in a scholastic record concerning any student of any public institution of higher education in the Commonwealth or any state school system. However, any such student, legal counsel and, if the student is a minor, the student's parents or legal guardians shall be permitted to be present during the taking of testimony or presentation of evidence at a closed meeting, if such student, parents, or guardians so request in writing and such request is submitted to the presiding officer of the appropriate board.

3. Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

4. The protection of the privacy of individuals in personal matters not related to public business.

5. Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community.

6. Discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected.

7. Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body. For the purposes of this subdivision, "probable litigation" means litigation that has been specifically threatened or on which the public body or its legal counsel has a reasonable basis to believe will be commenced by or against a known party. Nothing in

1043 this subdivision shall be construed to permit the closure of a meeting merely because an attorney
1044 representing the public body is in attendance or is consulted on a matter.

1045 8. Consultation with legal counsel employed or retained by a public body regarding specific legal
1046 matters requiring the provision of legal advice by such counsel. Nothing in this subdivision shall be
1047 construed to permit the closure of a meeting merely because an attorney representing the public body is
1048 in attendance or is consulted on a matter.

1049 9. Discussion or consideration by governing boards of public institutions of higher education of
1050 matters relating to gifts, bequests and fund-raising activities, and of grants and contracts for services or
1051 work to be performed by such institution. However, the terms and conditions of any such gifts, bequests,
1052 grants, and contracts made by a foreign government, a foreign legal entity, or a foreign person and
1053 accepted by a public institution of higher education in the Commonwealth shall be subject to public
1054 disclosure upon written request to the appropriate board of visitors. For the purpose of this subdivision,
1055 (i) "foreign government" means any government other than the United States government or the
1056 government of a state or a political subdivision thereof, (ii) "foreign legal entity" means any legal entity
1057 (a) created under the laws of the United States or of any state thereof if a majority of the ownership of
1058 the stock of such legal entity is owned by foreign governments or foreign persons or if a majority of the
1059 membership of any such entity is composed of foreign persons or foreign legal entities or (b) created
1060 under the laws of a foreign government, and (iii) "foreign person" means any individual who is not a
1061 citizen or national of the United States or a trust territory or protectorate thereof.

1062 10. Discussion or consideration by the boards of trustees of the Virginia Museum of Fine Arts, the
1063 Virginia Museum of Natural History, the Jamestown-Yorktown Foundation, and The Science Museum of
1064 Virginia of matters relating to specific gifts, bequests, and grants from private sources.

1065 11. Discussion or consideration of honorary degrees or special awards.

1066 12. Discussion or consideration of tests, examinations, or other information used, administered, or
1067 prepared by a public body and subject to the exclusion in subdivision 4 of § 2.2-3705.1.

1068 13. Discussion, consideration, or review by the appropriate House or Senate committees of possible
1069 disciplinary action against a member arising out of the possible inadequacy of the disclosure statement
1070 filed by the member, provided the member may request in writing that the committee meeting not be
1071 conducted in a closed meeting.

1072 14. Discussion of strategy with respect to the negotiation of a hazardous waste siting agreement or to
1073 consider the terms, conditions, and provisions of a hazardous waste siting agreement if the governing
1074 body in open meeting finds that an open meeting will have an adverse effect upon the negotiating
1075 position of the governing body or the establishment of the terms, conditions and provisions of the siting
1076 agreement, or both. All discussions with the applicant or its representatives may be conducted in a
1077 closed meeting.

1078 15. Discussion by the Governor and any economic advisory board reviewing forecasts of economic
1079 activity and estimating general and nongeneral fund revenues.

1080 16. Discussion or consideration of medical and mental health records subject to the exclusion in
1081 subdivision 1 of § 2.2-3705.5.

1082 17. Deliberations of the Virginia Lottery Board in a licensing appeal action conducted pursuant to
1083 subsection D of § 58.1-4007 regarding the denial or revocation of a license of a lottery sales agent; and
1084 discussion, consideration or review of Virginia Lottery matters related to proprietary lottery game
1085 information and studies or investigations excluded from disclosure under subdivision 6 of § 2.2-3705.3
1086 and subdivision 11 of § 2.2-3705.7.

1087 18. Those portions of meetings in which the Board of Corrections discusses or discloses the identity
1088 of, or information tending to identify, any prisoner who (i) provides information about crimes or
1089 criminal activities, (ii) renders assistance in preventing the escape of another prisoner or in the
1090 apprehension of an escaped prisoner, or (iii) voluntarily or at the instance of a prison official renders
1091 other extraordinary services, the disclosure of which is likely to jeopardize the prisoner's life or safety.

1092 19. Discussion of plans to protect public safety as it relates to terrorist activity or specific
1093 cybersecurity threats or vulnerabilities and briefings by staff members, legal counsel, or law-enforcement
1094 or emergency service officials concerning actions taken to respond to such matters or a related threat to
1095 public safety; discussion of information subject to the exclusion in subdivision 2 or 14 of § 2.2-3705.2,
1096 where discussion in an open meeting would jeopardize the safety of any person or the security of any
1097 facility, building, structure, information technology system, or software program; or discussion of reports
1098 or plans related to the security of any governmental facility, building or structure, or the safety of
1099 persons using such facility, building or structure.

1100 20. Discussion by the Board of the Virginia Retirement System, acting pursuant to § 51.1-124.30, or
1101 of any local retirement system, acting pursuant to § 51.1-803, or by a local finance board or board of
1102 trustees of a trust established by one or more local public bodies to invest funds for postemployment
1103 benefits other than pensions, acting pursuant to Article 8 (§ 15.2-1544 et seq.) of Chapter 15 of Title
1104 15.2, or by the board of visitors of the University of Virginia, acting pursuant to § 23.1-2210, or by the

Board of the Virginia College Savings Plan, acting pursuant to § 23.1-706, regarding the acquisition, holding or disposition of a security or other ownership interest in an entity, where such security or ownership interest is not traded on a governmentally regulated securities exchange, to the extent that such discussion (i) concerns confidential analyses prepared for the board of visitors of the University of Virginia, prepared by the retirement system, or a local finance board or board of trustees, or the Virginia College Savings Plan or provided to the retirement system, a local finance board or board of trustees, or the Virginia College Savings Plan under a promise of confidentiality, of the future value of such ownership interest or the future financial performance of the entity, and (ii) would have an adverse effect on the value of the investment to be acquired, held, or disposed of by the retirement system, a local finance board or board of trustees, the board of visitors of the University of Virginia, or the Virginia College Savings Plan. Nothing in this subdivision shall be construed to prevent the disclosure of information relating to the identity of any investment held, the amount invested or the present value of such investment.

21. Those portions of meetings in which individual child death cases are discussed by the State Child Fatality Review team established pursuant to § 32.1-283.1, those portions of meetings in which individual child death cases are discussed by a regional or local child fatality review team established pursuant to § 32.1-283.2, those portions of meetings in which individual death cases are discussed by family violence fatality review teams established pursuant to § 32.1-283.3, those portions of meetings in which individual adult death cases are discussed by the state Adult Fatality Review Team established pursuant to § 32.1-283.5, those portions of meetings in which individual adult death cases are discussed by a local or regional adult fatality review team established pursuant to § 32.1-283.6, and those portions of meetings in which individual death cases are discussed by overdose fatality review teams established pursuant to § 32.1-283.7.

22. Those portions of meetings of the board of visitors of the University of Virginia or the Eastern Virginia Medical School Board of Visitors, as the case may be, and those portions of meetings of any persons to whom management responsibilities for the University of Virginia Medical Center or Eastern Virginia Medical School, as the case may be, have been delegated, in which there is discussed proprietary, business-related information pertaining to the operations of the University of Virginia Medical Center or Eastern Virginia Medical School, as the case may be, including business development or marketing strategies and activities with existing or future joint venturers, partners, or other parties with whom the University of Virginia Medical Center or Eastern Virginia Medical School, as the case may be, has formed, or forms, any arrangement for the delivery of health care, if disclosure of such information would adversely affect the competitive position of the Medical Center or Eastern Virginia Medical School, as the case may be.

23. Discussion or consideration by the Virginia Commonwealth University Health System Authority or the board of visitors of Virginia Commonwealth University of any of the following: the acquisition or disposition by the Authority of real property, equipment, or technology software or hardware and related goods or services, where disclosure would adversely affect the bargaining position or negotiating strategy of the Authority; matters relating to gifts or bequests to, and fund-raising activities of, the Authority; grants and contracts for services or work to be performed by the Authority; marketing or operational strategies plans of the Authority where disclosure of such strategies or plans would adversely affect the competitive position of the Authority; and members of the Authority's medical and teaching staffs and qualifications for appointments thereto.

24. Those portions of the meetings of the Health Practitioners' Monitoring Program Committee within the Department of Health Professions to the extent such discussions identify any practitioner who may be, or who actually is, impaired pursuant to Chapter 25.1 (§ 54.1-2515 et seq.) of Title 54.1.

25. Meetings or portions of meetings of the Board of the Virginia College Savings Plan wherein personal information, as defined in § 2.2-3801, which has been provided to the Board or its employees by or on behalf of individuals who have requested information about, applied for, or entered into prepaid tuition contracts or savings trust account agreements pursuant to Chapter 7 (§ 23.1-700 et seq.) of Title 23.1 is discussed.

26. Discussion or consideration, by the former Wireless Carrier E-911 Cost Recovery Subcommittee created pursuant to former § 56-484.15, of trade secrets, as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.), submitted by CMRS providers as defined in § 56-484.12, related to the provision of wireless E-911 service.

27. Those portions of disciplinary proceedings by any regulatory board within the Department of Professional and Occupational Regulation, Department of Health Professions, or the Board of Accountancy conducted pursuant to § 2.2-4019 or 2.2-4020 during which the board deliberates to reach a decision or meetings of health regulatory boards or conference committees of such boards to consider settlement proposals in pending disciplinary actions or modifications to previously issued board orders as requested by either of the parties.

1166 28. Discussion or consideration of information subject to the exclusion in subdivision 11 of
1167 § 2.2-3705.6 by a responsible public entity or an affected locality or public entity, as those terms are
1168 defined in § 33.2-1800, or any independent review panel appointed to review information and advise
1169 the responsible public entity concerning such records.

1170 29. Discussion of the award of a public contract involving the expenditure of public funds, including
1171 interviews of bidders or offerors, and discussion of the terms or scope of such contract, where
1172 discussion in an open session would adversely affect the bargaining position or negotiating strategy of
1173 the public body.

1174 30. Discussion or consideration of grant or loan application information subject to the exclusion in
1175 subdivision 17 of § 2.2-3705.6 by (i) the Commonwealth Health Research Board or (ii) the Innovation
1176 and Entrepreneurship Investment Authority or the Research and Technology Investment Advisory
1177 Committee appointed to advise the Innovation and Entrepreneurship Investment Authority.

1178 31. Discussion or consideration by the Commitment Review Committee of information subject to the
1179 exclusion in subdivision 5 of § 2.2-3705.2 relating to individuals subject to commitment as sexually
1180 violent predators under Chapter 9 (§ 37.2-900 et seq.) of Title 37.2.

1181 32. Discussion or consideration of confidential proprietary information and trade secrets developed
1182 and held by a local public body providing certain telecommunication services or cable television services
1183 and subject to the exclusion in subdivision 18 of § 2.2-3705.6. However, the exemption provided by this
1184 subdivision shall not apply to any authority created pursuant to the BVU Authority Act (§ 15.2-7200 et
1185 seq.).

1186 33. Discussion or consideration by a local authority created in accordance with the Virginia Wireless
1187 Service Authorities Act (§ 15.2-5431.1 et seq.) of confidential proprietary information and trade secrets
1188 subject to the exclusion in subdivision 19 of § 2.2-3705.6.

1189 34. Discussion or consideration by the State Board of Elections or local electoral boards of voting
1190 security matters made confidential pursuant to § 24.2-625.1.

1191 35. Discussion or consideration by the Forensic Science Board or the Scientific Advisory Committee
1192 created pursuant to Article 2 (§ 9.1-1109 et seq.) of Chapter 11 of Title 9.1 of criminal investigative
1193 files subject to the exclusion in subdivision B 1 of § 2.2-3706.

1194 36. Discussion or consideration by the Brown v. Board of Education Scholarship Committee of
1195 information or confidential matters subject to the exclusion in subdivision A 3 of § 2.2-3705.4, and
1196 meetings of the Committee to deliberate concerning the annual maximum scholarship award, review and
1197 consider scholarship applications and requests for scholarship award renewal, and cancel, rescind, or
1198 recover scholarship awards.

1199 37. Discussion or consideration by the Virginia Port Authority of information subject to the exclusion
1200 in subdivision 1 of § 2.2-3705.6 related to certain proprietary information gathered by or for the Virginia
1201 Port Authority.

1202 38. Discussion or consideration by the Board of Trustees of the Virginia Retirement System acting
1203 pursuant to § 51.1-124.30, by the Investment Advisory Committee appointed pursuant to § 51.1-124.26,
1204 by any local retirement system, acting pursuant to § 51.1-803, by the Board of the Virginia College
1205 Savings Plan acting pursuant to § 23.1-706, or by the Virginia College Savings Plan's Investment
1206 Advisory Committee appointed pursuant to § 23.1-702 of information subject to the exclusion in
1207 subdivision 24 of § 2.2-3705.7.

1208 39. Discussion or consideration of information subject to the exclusion in subdivision 3 of
1209 § 2.2-3705.6 related to economic development.

1210 40. Discussion or consideration by the Board of Education of information relating to the denial,
1211 suspension, or revocation of teacher licenses subject to the exclusion in subdivision 11 of § 2.2-3705.3.

1212 41. Those portions of meetings of the Virginia Military Advisory Council or any commission created
1213 by executive order for the purpose of studying and making recommendations regarding preventing
1214 closure or realignment of federal military and national security installations and facilities located in
1215 Virginia and relocation of such facilities to Virginia, or a local or regional military affairs organization
1216 appointed by a local governing body, during which there is discussion of information subject to the
1217 exclusion in subdivision 8 of § 2.2-3705.2.

1218 42. Discussion or consideration by the Board of Trustees of the Veterans Services Foundation of
1219 information subject to the exclusion in subdivision 28 of § 2.2-3705.7 related to personally identifiable
1220 information of donors.

1221 43. Discussion or consideration by the Virginia Tobacco Region Revitalization Commission of
1222 information subject to the exclusion in subdivision 23 of § 2.2-3705.6 related to certain information
1223 contained in grant applications.

1224 44. Discussion or consideration by the board of directors of the Commercial Space Flight Authority
1225 of information subject to the exclusion in subdivision 24 of § 2.2-3705.6 related to rate structures or
1226 charges for the use of projects of, the sale of products of, or services rendered by the Authority and
1227 certain proprietary information of a private entity provided to the Authority.

45. Discussion or consideration of personal and proprietary information related to the resource management plan program and subject to the exclusion in (i) subdivision 25 of § 2.2-3705.6 or (ii) subsection E of § 10.1-104.7. This exclusion shall not apply to the discussion or consideration of records that contain information that has been certified for release by the person who is the subject of the information or transformed into a statistical or aggregate form that does not allow identification of the person who supplied, or is the subject of, the information.

46. Discussion or consideration by the Board of Directors of the Virginia Alcoholic Beverage Control Authority of information subject to the exclusion in subdivision 1 of § 2.2-3705.3 related to investigations of applicants for licenses and permits and of licensees and permittees.

47. Discussion or consideration of grant or loan application records subject to the exclusion in subdivision 28 of § 2.2-3705.6 related to the submission of an application for an award from the Virginia Research Investment Fund pursuant to Article 8 (§ 23.1-3130 et seq.) of Chapter 31 of Title 23.1 or interviews of parties to an application by a reviewing entity pursuant to subsection D of § 23.1-3133 or by the Virginia Research Investment Committee for a grant or loan pursuant to Article 11 (§ 2.2-2351 et seq.) of Chapter 22.

48. Discussion or development of grant proposals by a regional council established pursuant to Article 26 (§ 2.2-2484 et seq.) of Chapter 24 to be submitted for consideration to the Virginia Growth and Opportunity Board.

49. Discussion or consideration of (i) individual sexual assault cases by a sexual assault team established pursuant to § 15.2-1627.4 or (ii) individual child abuse or neglect cases or sex offenses involving a child by a child abuse team established pursuant to § 15.2-1627.5.

50. Discussion or consideration by the Board of the Virginia Economic Development Partnership Authority, the Joint Legislative Audit and Review Commission, or any subcommittees thereof, of the portions of the strategic plan, marketing plan, or operational plan exempt from disclosure pursuant to subdivision 33 of § 2.2-3705.7.

51. Those portions of meetings of the subcommittee of the Board of the Virginia Economic Development Partnership Authority established pursuant to subsection F of § 2.2-2237.3 to review and discuss information received from the Virginia Employment Commission pursuant to subdivision C 2 of § 60.2-114.

B. No resolution, ordinance, rule, contract, regulation or motion adopted, passed or agreed to in a closed meeting shall become effective unless the public body, following the meeting, reconvenes in open meeting and takes a vote of the membership on such resolution, ordinance, rule, contract, regulation, or motion that shall have its substance reasonably identified in the open meeting.

C. Public officers improperly selected due to the failure of the public body to comply with the other provisions of this section shall be de facto officers and, as such, their official actions are valid until they obtain notice of the legal defect in their election.

D. Nothing in this section shall be construed to prevent the holding of conferences between two or more public bodies, or their representatives, but these conferences shall be subject to the same procedures for holding closed meetings as are applicable to any other public body.

E. This section shall not be construed to (i) require the disclosure of any contract between the Department of Health Professions and an impaired practitioner entered into pursuant to Chapter 25.1 (§ 54.1-2515 et seq.) of Title 54.1 or (ii) require the board of directors of any authority created pursuant to the Industrial Development and Revenue Bond Act (§ 15.2-4900 et seq.), or any public body empowered to issue industrial revenue bonds by general or special law, to identify a business or industry to which subdivision A 5 applies. However, such business or industry shall be identified as a matter of public record at least 30 days prior to the actual date of the board's authorization of the sale or issuance of such bonds.

§ 23.1-203. Duties of Council.

The Council shall:

1. Develop a statewide strategic plan that (i) reflects the goals set forth in subsection A of § 23.1-1002 or (ii) once adopted, reflects the goals and objectives developed pursuant to subdivision B 5 of § 23.1-309 for higher education in the Commonwealth, identifies a coordinated approach to such state and regional goals, and emphasizes the future needs for higher education in the Commonwealth at both the undergraduate and the graduate levels and the mission, programs, facilities, and location of each of the existing institutions of higher education, each public institution's six-year plan, and such other matters as the Council deems appropriate. The Council shall revise such plan at least once every six years and shall submit such recommendations as are necessary for the implementation of the plan to the Governor and the General Assembly.

2. Review and approve or disapprove any proposed change in the statement of mission of any public institution of higher education and define the mission of all newly created public institutions of higher education. The Council shall report such approvals, disapprovals, and definitions to the Governor and

1289 the General Assembly at least once every six years. No such actions shall become effective until 30
1290 days after adjournment of the session of the General Assembly next following the filing of such a
1291 report. Nothing in this subdivision shall be construed to authorize the Council to modify any mission
1292 statement adopted by the General Assembly or empower the Council to affect, either directly or
1293 indirectly, the selection of faculty or the standards and criteria for admission of any public institution of
1294 higher education, whether relating to academic standards, residence, or other criteria. Faculty selection
1295 and student admission policies shall remain a function of the individual public institutions of higher
1296 education.

1297 3. Study any proposed escalation of any public institution of higher education to a degree-granting
1298 level higher than that level to which it is presently restricted and submit a report and recommendation to
1299 the Governor and the General Assembly relating to the proposal. The study shall include the need for
1300 and benefits or detriments to be derived from the escalation. No such institution shall implement any
1301 such proposed escalation until the Council's report and recommendation have been submitted to the
1302 General Assembly and the General Assembly approves the institution's proposal.

1303 4. Review and approve or disapprove all enrollment projections proposed by each public institution
1304 of higher education. The Council's projections shall be organized numerically by level of enrollment and
1305 shall be used solely for budgetary, fiscal, and strategic planning purposes. The Council shall develop
1306 estimates of the number of degrees to be awarded by each public institution of higher education and
1307 include those estimates in its reports of enrollment projections. The student admissions policies for such
1308 institutions and their specific programs shall remain the sole responsibility of the individual governing
1309 boards but all baccalaureate public institutions of higher education shall adopt dual admissions policies
1310 with comprehensive community colleges as required by § 23.1-907.

1311 5. Review and approve or disapprove all new undergraduate or graduate academic programs that any
1312 public institution of higher education proposes.

1313 6. Review and require the discontinuance of any undergraduate or graduate academic program that is
1314 presently offered by any public institution of higher education when the Council determines that such
1315 academic program is (i) nonproductive in terms of the number of degrees granted, the number of
1316 students served by the program, the program's effectiveness, and budgetary considerations or (ii)
1317 supported by state funds and unnecessarily duplicative of academic programs offered at other public
1318 institutions of higher education. The Council shall make a report to the Governor and the General
1319 Assembly with respect to the discontinuance of any such academic program. No such discontinuance
1320 shall become effective until 30 days after the adjournment of the session of the General Assembly next
1321 following the filing of such report.

1322 7. Review and approve or disapprove the establishment of any department, school, college, branch,
1323 division, or extension of any public institution of higher education that such institution proposes to
1324 establish, whether located on or off the main campus of such institution. If any organizational change is
1325 determined by the Council to be proposed solely for the purpose of internal management and the
1326 institution's curricular offerings remain constant, the Council shall approve the proposed change. Nothing
1327 in this subdivision shall be construed to authorize the Council to disapprove the establishment of any
1328 such department, school, college, branch, division, or extension established by the General Assembly.

1329 8. Review the proposed closure of any academic program in a high demand or critical shortage area,
1330 as defined by the Council, by any public institution of higher education and assist in the development of
1331 an orderly closure plan, when needed.

1332 9. Develop a uniform, comprehensive data information system designed to gather all information
1333 necessary to the performance of the Council's duties. The system shall include information on
1334 admissions, enrollment, self-identified students with documented disabilities, personnel, programs,
1335 financing, space inventory, facilities, and such other areas as the Council deems appropriate. When
1336 consistent with the Government Data Collection and Dissemination Practices Act (§ 2.2-3800 et seq.),
1337 the Virginia Unemployment Compensation Act (§ 60.2-100 et seq.), and applicable federal law, the
1338 Council, acting solely or in partnership with the Virginia Department of Education or the Virginia
1339 Employment Commission, may contract with private entities to create de-identified student records in
1340 which all personally identifiable information has been removed for the purpose of assessing the
1341 performance of institutions and specific programs relative to the workforce needs of the Commonwealth.

1342 10. In cooperation with public institutions of higher education, develop guidelines for the assessment
1343 of student achievement. Each such institution shall use an approved program that complies with the
1344 guidelines of the Council and is consistent with the institution's mission and educational objectives in
1345 the development of such assessment. The Council shall report each institution's assessment of student
1346 achievement in the revisions to the Commonwealth's statewide strategic plan for higher education.

1347 11. In cooperation with the appropriate state financial and accounting officials, develop and establish
1348 uniform standards and systems of accounting, recordkeeping, and statistical reporting for public
1349 institutions of higher education.

1350 12. Review biennially and approve or disapprove all changes in the inventory of educational and

general space that any public institution of higher education proposes and report such approvals and disapprovals to the Governor and the General Assembly. No such change shall become effective until 30 days after the adjournment of the session of the General Assembly next following the filing of such report.

13. Visit and study the operations of each public institution of higher education at such times as the Council deems appropriate and conduct such other studies in the field of higher education as the Council deems appropriate or as may be requested by the Governor or the General Assembly.

14. Provide advisory services to each accredited nonprofit private institution of higher education whose primary purpose is to provide collegiate or graduate education and not to provide religious training or theological education on academic, administrative, financial, and space utilization matters. The Council may review and advise on joint activities, including contracts for services between public institutions of higher education and such private institutions of higher education or between such private institutions of higher education and any agency or political subdivision of the Commonwealth.

15. Adopt such policies and regulations as the Council deems necessary to implement its duties established by state law. Each public institution of higher education shall comply with such policies and regulations.

16. Issue guidelines consistent with the provisions of the federal Family Educational Rights and Privacy Act (20 U.S.C. § 1232g), requiring public institutions of higher education to release a student's academic and disciplinary record to a student's parent.

17. Require each institution of higher education formed, chartered, or established in the Commonwealth after July 1, 1980, to ensure the preservation of student transcripts in the event of institutional closure or revocation of approval to operate in the Commonwealth. An institution may ensure the preservation of student transcripts by binding agreement with another institution of higher education with which it is not corporately connected or in such other way as the Council may authorize by regulation. In the event that an institution closes or has its approval to operate in the Commonwealth revoked, the Council, through its director, may take such action as is necessary to secure and preserve the student transcripts until such time as an appropriate institution accepts all or some of the transcripts. Nothing in this subdivision shall be deemed to interfere with the right of a student to his own transcripts or authorize disclosure of student records except as may otherwise be authorized by law.

18. Require the development and submission of articulation, dual admissions, and guaranteed admissions agreements between associate-degree-granting and baccalaureate public institutions of higher education.

19. Provide periodic updates of base adequacy funding guidelines adopted by the Joint Subcommittee Studying Higher Education Funding Policies for each public institution of higher education.

20. Develop, pursuant to the provisions of § 23.1-907, guidelines for articulation, dual admissions, and guaranteed admissions agreements, including guidelines related to a one-year Uniform Certificate of General Studies Program and a one-semester Passport Program to be offered at each comprehensive community college. The guidelines developed pursuant to this subdivision shall be developed in consultation with all public institutions of higher education in the Commonwealth, the Department of Education, and the Virginia Association of School Superintendents and shall ensure standardization, quality, and transparency in the implementation of the programs and agreements. At the discretion of the Council, private institutions of higher education eligible for tuition assistance grants may also be consulted.

21. Cooperate with the Board of Education in matters of interest to both public elementary and secondary schools and public institutions of higher education, particularly in connection with coordination of the college admission requirements, coordination of teacher training programs with the public school programs, and the Board of Education's Six-Year Educational Technology Plan for Virginia. The Council shall encourage public institutions of higher education to design programs that include the skills necessary for the successful implementation of such Plan.

22. Advise and provide technical assistance to the Brown v. Board of Education Scholarship Committee in the implementation and administration of the Brown v. Board of Education Scholarship Program pursuant to Chapter 34.1 (§ 30-231.01 et seq.) of Title 30.

23. Insofar as possible, seek the cooperation and utilize the facilities of existing state departments, institutions, and agencies in carrying out its duties.

24. Serve as the coordinating council for public institutions of higher education.

25. Serve as the planning and coordinating agency for all postsecondary educational programs for all health professions and occupations and make recommendations, including those relating to financing, for providing adequate and coordinated educational programs to produce an appropriate supply of properly trained personnel. The Council may conduct such studies as it deems appropriate in furtherance of the requirements of this subdivision. All state departments and agencies shall cooperate with the Council in the execution of its responsibilities under this subdivision.

1412 26. Carry out such duties as the Governor may assign to it in response to agency designations
1413 requested by the federal government.

1414 27. Insofar as practicable, preserve the individuality, traditions, and sense of responsibility of each
1415 public institution of higher education in carrying out its duties.

1416 28. Insofar as practicable, seek the assistance and advice of each public institution of higher
1417 education in fulfilling its duties and responsibilities.

1418 29. Develop the Commonwealth Research and Technology Strategic Roadmap pursuant to the
1419 provisions of ~~§ 23.1-3134~~ to be submitted to the Virginia Research Investment Committee for approval,
1420 and otherwise assist the Virginia Research Investment Committee with the administration of the Virginia
1421 Research Investment Fund consistent with the provisions of Article 8 (~~§ 23.1-3130 et seq.~~) of Chapter
1422 31.

1423 30. Administer the Virginia Longitudinal Data System as a multiagency partnership for the purposes
1424 of developing educational, health, social service, and employment outcome data; improving the efficacy
1425 of state services; and aiding decision making.

1426 **§ 51.1-124.38. Investment of assets of the Virginia Research Investment Fund.**

1427 A. In addition to such other powers as shall be vested in the Board, the Board shall have the full
1428 power to invest, reinvest, and manage those portions of the Virginia Research Investment Fund (the
1429 Fund), established pursuant to Article 8 (~~§ 23.1-3130 et seq.~~) of Chapter 31 of Title 23.1, § 2.2-2359
1430 and designated by the General Assembly for investment by the Board pursuant to subsection B of
1431 ~~§ 23.1-3131~~ § 2.2-2359. The Board shall maintain a separate accounting for the assets of the Fund
1432 invested with it. The Board shall make an annual distribution of such invested moneys to the
1433 Comptroller pursuant to subsection B of ~~§ 23.1-3131~~ § 2.2-2366.

1434 B. The Board shall invest the assets of the Fund with the care, skill, prudence, and diligence under
1435 the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such
1436 matters would use in the conduct of an enterprise of a like character and with like aims. The Board
1437 shall also diversify such investments so as to minimize the risk of large losses unless under the
1438 circumstances it is clearly prudent not to do so.

1439 C. No officer, director, or member of the Board or of any advisory committee of the Retirement
1440 System or any of its tax-exempt subsidiary corporations whose actions are within the standard of care
1441 set forth in subsection B shall be held personally liable for losses suffered by the Retirement System on
1442 investments made under the authority of this section.

1443 D. The provisions of §§ 51.1-124.32, 51.1-124.33, 51.1-124.34, and 51.1-124.35 shall apply to the
1444 Board's activities with respect to moneys in the Fund.

1445 E. The Board may assess the Virginia Research Investment Committee Partnership for Innovation
1446 and Entrepreneurship Authority a reasonable administrative fee for its services.

1447 2. That §§ 2.2-2220.1, 2.2-2233.1, and Article 8 (~~§ 23.1-3130 through 23.1-3134~~) of Chapter 31 of
1448 Title 23.1 of the Code of Virginia are repealed.

1449 3. That the Partnership for Innovation and Entrepreneurship Authority (Partnership), as created
1450 by this act, shall be the successor in interest to any grant or investment funds currently
1451 administered by the Innovation and Entrepreneurship Investment Authority or any other entity
1452 controlled by the Innovation and Entrepreneurship Investment Authority. Any funds remaining in
1453 the Commonwealth Research Commercialization Fund or the Virginia Research Investment Fund
1454 upon the effective date of this act shall remain in the Funds and be transferred to the Partnership
1455 as required by this act. Any funds remaining in the Commonwealth Growth Accelerator Program
1456 Fund upon the effective date of this act shall be transferred to the Partnership for investment in
1457 venture capital funds, as authorized by this act. Staff of the Center for Innovative Technology shall
1458 assist the Partnership in fulfilling its operational functions during the fiscal year beginning July 1,
1459 2019.

1460 4. That the Partnership for Innovation and Entrepreneurship Authority, as created by this act,
1461 shall be the successor in interest to any grant or investment funds currently administered by the
1462 Virginia Research Investment Committee.

1463 5. That the initial appointments of nonlegislative citizen members to the board of directors of the
1464 Partnership for Innovation and Entrepreneurship Authority made in accordance with the
1465 provisions of this act shall be staggered as follows: (i) of the Governor's appointments, one
1466 member shall be appointed for a term of one year, one member shall be appointed for a term of
1467 two years, one member shall be appointed for a term of three years, and one member shall be
1468 appointed for a term of four years; (ii) of the Joint Rules Committee's appointments, one member
1469 shall be appointed for a term of one year, one member shall be appointed for a term of two years,
1470 one member shall be appointed for a term of three years, and one member shall be appointed for
1471 a term of four years. Any member appointed for an initial term of less than four years shall be
1472 eligible to serve two additional full four-year terms.

1473 6. That the Secretary of Commerce and Trade shall oversee a stakeholder group to assist in the

1474 transition of programs from the Innovation and Entrepreneurship Investment Authority and the
1475 Virginia Research Investment Committee (VRIC) to the Partnership for Innovation and
1476 Entrepreneurship Authority (the Partnership), as set forth in this act. Such stakeholders shall
1477 include industry leaders, and representatives of state institutions of higher education, Virginia is
1478 for Entrepreneurs (VA4E), the Innovation and Entrepreneurship Investment Authority, the Center
1479 for Innovative Technology (CIT), the Virginia Biosciences Health Research Corporation (VBHRC),
1480 and any other entity impacted by this act. In addition to overseeing the implementation of this act,
1481 the stakeholder group shall (i) review existing programs of CIT, VRIC, and VBHRC and proposed
1482 programs in the report presented to VRIC by TEconomy on December 11, 2018; (ii) make
1483 recommendations to the Partnership as to which programs referenced in clause (i) should be
1484 implemented or integrated into the Partnership, along with estimated costs; (iii) create a report of
1485 any best practices locally and from other states; and (iv) develop a recommended path to legally
1486 unwind and transition the number of nonstock corporations in existence under the purview of the
1487 Commonwealth related to research and development.