

# VIRGINIA ACTS OF ASSEMBLY -- 1998 RECONVENED SESSION

## CHAPTER 790

*An Act to amend and reenact §§ 2.1-20.3, 2.1-20.4, 9-14, and 14.1-18 of the Code of Virginia, relating to certain boards, commissions, committees, councils, and other bodies and to establish the Virginia Advanced Shipbuilding and Carrier Integration Center Board.*

[S 442]

Approved April 22, 1998

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

**1. That §§ 2.1-20.3, 2.1-20.4, 9-14, and 14.1-18 of the Code of Virginia are amended and reenacted as follows:**

§ 2.1-20.3. Compensation and expense payments from state funds for certain executive department services.

A. Subject to the provisions of subsections B ~~through F~~ and C, members of ~~certain~~ boards, commissions, committees, councils and other similar bodies, who are appointed at the state level, shall be compensated at the rate of fifty dollars per day, *unless a different rate of compensation is specified for such members*, plus reasonable and necessary expenses, for each day or portion thereof in which the member is engaged in the business of that body.

B. Full-time employees of the Commonwealth or any of its local political subdivisions, including full-time faculty members of state-supported colleges and universities, shall be limited to reimbursement for such employee's reasonable and necessary expenses.

C. No person shall receive total compensation of more than fifty dollars per day for services performed on any one day. Whenever a member attends two or more meetings in a single day, compensation and expenses shall be prorated among the bodies served.

~~D. Members of boards, commissions, committees, councils and other similar bodies whose principal responsibility, as defined by statute, is either advisory or advocacy shall not receive compensation from state funds.~~

~~E. Members of boards of institutions of education, the boards for cultural and science education and the boards for historic and commemorative attractions shall not receive compensation from state funds.~~

~~F. With the exception of payments from discretionary funds appropriated to the Governor, members of boards, commissions, committees, councils, and other similar bodies which have not been codified into the Code of Virginia shall not receive compensation from state funds.~~

§ 2.1-20.4. Bodies receiving compensation.

~~A. Notwithstanding any other provision of law, the following members of the commissions, boards, etc. committees, councils and other similar bodies listed below, and members of any other board, committee, council, or similar body who are appointed at the state level, shall be those which receive compensation from state funds pursuant to § 2.1-20.3:~~

Accountancy, Board for  
Agriculture and Consumer Services, Board of  
Air Pollution Control Board, State  
Airports Authority, Virginia  
Apprenticeship Council  
Architects, Professional Engineers, Land Surveyors and Landscape Architects, State Board for  
Athletic Board, Virginia  
Auctioneers Board  
Audiology and Speech-Language Pathology, Board of  
Aviation Board, Virginia  
Barbers, Board for  
Branch Pilots, Board for  
Building Code Technical Review Board, State  
Charitable Gaming Commission  
Chesapeake Bay Local Assistance Board  
Coal Mining Examiners, Board of  
College Building Authority  
Commonwealth Competition Council  
Commonwealth Transportation Board  
Conservation and Development of Public Beaches, Board on  
Conservation and Recreation, Board of  
Contractors, Board for  
Correctional Education, Board of

Corrections, Board of  
 Cosmetology, Board for  
 Criminal Justice Services Board  
 Deaf and Hard-of-Hearing, Advisory Board for the  
 Dentistry, Board of  
 Education, State Board of  
 Education Loan Authority, Virginia - Board of Directors  
 Elections, State Board of  
 Environment, Council on the  
 Fire Services Board, Virginia  
 Funeral Directors and Embalmers, Board of  
 Game and Inland Fisheries, Board of  
 Geology, Board for  
 Health, State Board of  
 Health Professions, Board of  
 Hearing Aid Specialists, Board for  
 Higher Education, State Council of  
 Historic Resources, Board of  
 Housing and Community Development, Board of  
 Information Management, Council on  
 Juvenile Justice, State Board of  
 Marine Resources Commission  
 Medical Assistance Services, Board of  
 Medical Complaint Investigation Committee  
 Medicine, Board of  
 Mental Health, Mental Retardation and Substance Abuse Services Board, State  
 Milk Commission  
 Mineral Mining Examiners, Board of  
 Motor Vehicle Dealer Board  
 Nursing, Board of  
 Nursing Home Administrators, Board of  
 Occupational Therapy, Advisory Board on  
 Oil and Gas Conservation Board, Virginia  
 Opticians, Board for  
 Optometry, Board of  
 Pesticide Control Board  
 Pharmacy, Board of  
 Physical Therapy, Advisory Board on  
 Port Authority, Board of Commissioners of the Virginia  
 Professional and Occupational Regulation, Board for  
 Professional Counselors, Board of  
 Professional Soil Scientists, Board for  
 Psychology, Board of  
 Public Defender Commission  
 Public School Authority, Virginia  
 Purchases and Supply Appeals Board  
 Real Estate Appraiser Board  
 Real Estate Board  
 Recreation Specialists, Board of  
 Rehabilitative Services, Board of  
 Respiratory Therapy, Advisory Board on  
 Safety and Health Codes Board  
 Seed Potato Board  
 Social Services, Board of  
 Social Work, Board of  
 State Health Department Sewage Handling and Disposal Appeal Review Board  
 Substance Abuse Certification Board  
 Surface Mining Review, Board of  
 Treasury Board  
 Veterans' Affairs, Board on  
 Veterinary Medicine, Board of  
*Virginia Advanced Shipbuilding and Carrier Integration Center Board*  
 Virginia Board for Asbestos Licensing  
 Virginia Health Planning Board

Virginia Manufactured Housing Board  
 Virginia Veterans Care Center Board of Trustees  
 Virginia Waste Management Board  
 Visually Handicapped, Virginia Board for the  
 Waste Management Facility Operators, Board for  
 Water Control Board, State  
 Waterworks and Wastewater Works Operators, Board for  
 Well Review Board, Virginia.

B. Individual members of boards, commissions, committees, councils, and other similar bodies appointed at the state level and receiving compensation for their services on January 1, 1980, but who will not receive compensation under the provisions of this article, shall continue to receive compensation at the January 1, 1980, rate until such member's current term expires.

§ 9-14. Expenses of boards.

The board of directors of the several state hospitals and the boards of directors of the various institutions of learning receiving aid from the Commonwealth shall receive their actual, itemized expenses incurred in the discharge of their duties in attending the meetings of the boards or committees. No mileage, per diem, or other compensation whatever shall be allowed.

§ 14.1-18. Compensation of members of General Assembly and certain commissions engaged in legislative services.

A. Subject to the provisions of subsections B through E hereof, members of *all* legislative committees, ~~all~~ legislative commissions and councils established by the General Assembly and all committees and subcommittees of any of the foregoing shall receive compensation at such rate as ~~shall be set forth in the general appropriations act for the time actually engaged in the discharge of their duty is provided in § 2.1-20.3.~~ Any other member of the General Assembly whose attendance, in the opinion of the chairman of such a group, is required at a sitting of such group shall also be entitled to compensation at the same rate.

B. Legislative members shall not be entitled to compensation pursuant to this section for any services performed on any day that the General Assembly is in session.

C. Full-time employees of the Commonwealth or of any of its political subdivisions shall not be entitled to compensation pursuant to this section.

D. No person shall receive pursuant to this section a total of more than one day's compensation for services performed on any one day. Whenever a member attends two or more meetings for which compensation is authorized herein in a single day, such one day's compensation shall be prorated from among the activities served.

E. Compensation of members of the General Assembly provided for in this section shall be paid by the offices of the Clerk of the House of Delegates or Clerk of the Senate as appropriate and funds therefor transferred from the appropriate activity.

**2. That there is hereby established the Virginia Advanced Shipbuilding and Carrier Integration Center Board. The Board shall consist of and perform the same duties as the members of the Board of Directors described in § 4 of the third enactment clause of this act.**

**3. § 1.** *The General Assembly finds that the encouragement of major investments in shipbuilding facilities in Virginia, the preservation of thousands of existing jobs, and the creation of new jobs in Virginia's shipbuilding industry are in the best interest of the Commonwealth and its citizens. The General Assembly has determined that the establishment of a center in Virginia to undertake (i) testing and integration development projects, (ii) research, and (iii) training of workers in the shipbuilding industry, will enhance and promote the quality and competitiveness of Virginia's shipbuilding industry, is in the public interest, and will promote the general welfare of the citizens of Virginia. The General Assembly finds that several states have provided financial and other incentives to preserve, expand and promote their shipbuilding industries. The General Assembly further finds that the enactment of incentives for the construction and operation of an advanced shipbuilding and carrier integration center in Virginia is necessary to maintain Virginia's position as a leader in the shipbuilding industry and related defense industries and will thereby contribute to the strength and expansion of Virginia's economy.*

§ 2. As used in this section:

"Advanced Shipbuilding and Carrier Integration Center" means a shipbuilding facility which, pursuant to a Memorandum of Agreement with the Secretary, is to be initially owned by a local industrial development authority in Virginia and built and operated by a Qualified Shipbuilder for use by the shipbuilding industry, primarily (i) to perform testing and integration projects, including research and development in conjunction with Virginia universities concerning those projects, and other projects relating to the design and integration of navigation, communication, weapon, and other ship systems for aircraft carriers and (ii) to provide education, training, and retraining of workers in the shipbuilding industry.

"Affiliate" of a specific company means a company that is directly or indirectly controlled by, or is under common control with, the company specified.

"Decision by the United States government" means a law, regulation, or administrative action, including but not limited to the issuance of a United States Navy or joint requirements document or a Defense Acquisition Board decision.

"Fiscal year" means the twelve month period beginning July 1 and ending June 30.

"Next aircraft carrier" means the aircraft carrier following the already authorized aircraft carrier designated CVN-77, such next carrier currently being designated by the United States Navy as CV(X).

"Qualified investment" means any expenditure capitalized or to be capitalized for federal income tax purposes that is related to the construction, expansion, improvement or modernization of a shipbuilding facility in Virginia. Except for salaries that are capitalized as part of the cost of a shipbuilding facility, "qualified investment" shall not include the salaries or other compensation paid to employees of a Qualified Shipbuilder or its affiliates.

"Qualified Shipbuilder" means a corporation that (i) is primarily engaged in designing, constructing, overhauling, modernizing, and repairing ships at its facilities in Virginia; (ii) employs more than 10,000 persons at its shipbuilding facilities in Virginia; and (iii) makes a qualified investment of at least \$25 million in the fiscal year preceding each fiscal year in which any grant provided by this act is awarded.

"Secretary" means the Secretary of Commerce and Trade or his designee.

"Shipbuilding facility" means any property, including land, buildings and other improvements to real estate, tangible personal property, machinery and tools, ships, boats and parts thereof, docks and dry docks, employed or designed to be employed in the shipbuilding industry.

"Shipbuilding industry" includes (i) businesses engaged in either designing, building, overhauling, modernizing and repairing ships in Virginia and (ii) other persons engaged in research, design, manufacturing or other activities in Virginia that are directly related to, or that provide necessary support for, such businesses.

§ 3. A. A local industrial development authority shall be entitled to the investment grant provided for in this section for use by a Qualified Shipbuilder to build the Advanced Shipbuilding and Carrier Integration Center if the Secretary determines that:

1. The United States government has either (i) made a decision that the United States Navy's next aircraft carrier will be nuclear powered or (ii) awarded a prime contract to a Qualified Shipbuilder to design or design and construct the United States Navy's next aircraft carrier; and

2. A Qualified Shipbuilder has agreed to build the Advanced Shipbuilding and Carrier Integration Center for the local industrial development authority.

B. The investment grant provided for by this section shall be subject to the following limitations:

1. The grant shall be awarded after July 1, 1998, and before July 1, 2001.

2. The total amounts granted under this section shall not exceed:

a. \$8 million from July 1, 1998, through June 30, 1999;

b. \$30 million from July 1, 1999, through June 30, 2000; and

c. \$20 million from July 1, 2000, through June 30, 2001.

Investment grants provided for by this section shall not exceed \$58 million in the aggregate.

3. The structure of the investment grant provided for by this section shall be negotiated and set forth in a Memorandum of Agreement. After the Secretary makes the determination required by § 3 A and has entered into a Memorandum of Agreement with a Qualified Shipbuilder, the investment grant shall be made to the local industrial development authority where the Qualified Shipbuilder is located. The Memorandum of Agreement shall set forth, inter alia, the performance standards for transfer of the Advanced Shipbuilding and Carrier Integration Center to the Qualified Shipbuilder. Title to the Advanced Shipbuilding and Carrier Integration Center shall be held by the local industrial development authority and shall be transferred to the Qualified Shipbuilder if it meets the performance standards set forth in the Memorandum of Agreement. A copy of such agreement shall be provided prior to its execution to the chairmen of the House Appropriations Committee and the Senate Finance Committee for review.

§ 4. A. The operations grant provided for by this section shall be appropriated to the Virginia Economic Development Partnership for use by the Advanced Shipbuilding and Carrier Integration Center if the Secretary determines that:

1. The investment grant provided for in § 3 has been awarded;

2. The United States government has awarded a prime contract to a Qualified Shipbuilder to design or to design and construct the United States Navy's next aircraft carrier;

3. The Qualified Shipbuilder has undertaken construction and has agreed to operate the Advanced Shipbuilding and Carrier Integration Center consistent with the Memorandum of Agreement with the Secretary; and

4. To the extent practicable and consistent with the security requirements of the United States government and the protection of the Qualified Shipbuilder's proprietary information, the Memorandum of Agreement between the Qualified Shipbuilder and the Secretary provides for the establishment of procedures to:

a. Include members of the faculties and staffs of those public institutions of higher education in Virginia that provide engineering and other courses of study relevant to the shipbuilding industry, in the

activities of the Advanced Shipbuilding and Carrier Integration Center, including research and development, education and training;

b. Allow other members of the shipbuilding industry access to, and participation in, the activities of the Advanced Shipbuilding and Carrier Integration Center, including its ship systems integration activities; and

c. Ensure that the training, retraining and education services provided by the Advanced Shipbuilding and Carrier Integration Center are not limited to employees of the Qualified Shipbuilder, but also are available to other members of the shipbuilding industry.

B. The operations grant authorized by this section shall be subject to the following limitations:

1. The operations grant shall be awarded after July 1, 1998, and before July 1, 2004; and

2. The total operations grants awarded shall not exceed \$20 million during any fiscal year and shall not exceed \$40 million in the aggregate.

3. All such grants received shall be used to establish or operate activities of the Advanced Shipbuilding and Carrier Integration Center.

§ 5. A Qualified Shipbuilder building and operating the Advanced Shipbuilding and Carrier Integration Center shall submit annually to the Secretary a statement, approved by an independent certified public accountant licensed by the Commonwealth, confirming that the Qualified Shipbuilder: (i) has made a Qualified investment in the amount required by this act and (ii) employs more than 10,000 persons in Virginia. The statement shall be in the form specified by the Secretary and shall be subject to audit and verification by the Secretary.

§ 6. The Virginia Economic Development Partnership shall be authorized to create a nonstock nonprofit corporation to receive the grant funds and oversee the administration of the grant program provided for by § 4 of this act. The Board of Directors of the corporation shall be appointed by the Governor and shall consist of nine members as follows: (i) the Secretary of Commerce and Trade; (ii) the Secretary of Finance; (iii) one member representing the shipbuilding industry; (iv) one member representing industries that supply critical systems components to aircraft carriers; (v) two representatives of Virginia's institutions of higher education; (vi) two representatives to be designated by the Qualified Shipbuilder; and (vii) one citizen member who shall have had substantial U.S. Navy experience aboard an aircraft carrier. The Board of Directors will oversee the utilization of state funding for training and research and development and monitor the general implementation of the Memorandum of Agreement as it relates to operations grant funding until all such funds have been expended, at which time such corporation shall cease to exist. The records, meetings and activities of the corporation, its Board members, and employees that are deemed confidential, proprietary, or are classified by the federal government shall be exempt from disclosure under the Virginia Freedom of Information Act (§ 2.1-340 et seq.). The members of the Board of Directors shall also serve as the members of the Virginia Advanced Shipbuilding and Carrier Integration Center Board.

§ 7. The Memorandum of Agreement shall specify the following:

1. Circumstances for transfer of title to the Advanced Shipbuilding and Carrier Integration Center to the Qualified Shipbuilder upon completion of construction and fulfillment of performance standards.

2. Operation of the Carrier Integration Center prior to transfer of title to the Qualified Shipbuilder and until all grants hereunder have been expended.

3. The means by which participation of the shipbuilding industry in the activities of the Advanced Shipbuilding and Carrier Integration Center shall be accomplished.

4. The means by which participation of Virginia universities in the activities of the Advanced Shipbuilding and Carrier Integration Center shall be accomplished.

5. Disbursement and use of the operations grant monies provided in § 4.

**4. That the provisions of this act relating to the Virginia Advanced Shipbuilding and Carrier Integration Center program shall expire on June 30, 2004.**