

1998 RECONVENED SESSION

ENROLLED

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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

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

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57	Contractors, Board for
58	Correctional Education, Board of
59	Corrections, Board of
60	Cosmetology, Board for
61	Criminal Justice Services Board
62	Deaf and Hard-of-Hearing, Advisory Board for the
63	Dentistry, Board of
64	Education, State Board of
65	Education Loan Authority, Virginia - Board of Directors
66	Elections, State Board of
67	Environment, Council on the
68	Fire Services Board, Virginia
69	Funeral Directors and Embalmers, Board of
70	Game and Inland Fisheries, Board of
71	Geology, Board for
72	Health, State Board of
73	Health Professions, Board of
74	Hearing Aid Specialists, Board for
75	Higher Education, State Council of
76	Historic Resources, Board of
77	Housing and Community Development, Board of
78	Information Management, Council on
79	Juvenile Justice, State Board of
80	Marine Resources Commission
81	Medical Assistance Services, Board of
82	Medical Complaint Investigation Committee
83	Medicine, Board of
84	Mental Health, Mental Retardation and Substance Abuse Services Board, State
85	Milk Commission
86	Mineral Mining Examiners, Board of
87	Motor Vehicle Dealer Board
88	Nursing, Board of
89	Nursing Home Administrators, Board of
90	Occupational Therapy, Advisory Board on
91	Oil and Gas Conservation Board, Virginia
92	Opticians, Board for
93	Optometry, Board of
94	Pesticide Control Board
95	Pharmacy, Board of
96	Physical Therapy, Advisory Board on
97	Port Authority, Board of Commissioners of the Virginia
98	Professional and Occupational Regulation, Board for
99	Professional Counselors, Board of
100	Professional Soil Scientists, Board for
101	Psychology, Board of
102	Public Defender Commission
103	Public School Authority, Virginia
104	Purchases and Supply Appeals Board
105	Real Estate Appraiser Board
106	Real Estate Board
107	Recreation Specialists, Board of
108	Rehabilitative Services, Board of
109	Respiratory Therapy, Advisory Board on
110	Safety and Health Codes Board
111	Seed Potato Board
112	Social Services, Board of
113	Social Work, Board of
114	State Health Department Sewage Handling and Disposal Appeal Review Board
115	Substance Abuse Certification Board
116	Surface Mining Review, Board of
117	Treasury Board

118 Veterans' Affairs, Board on
 119 Veterinary Medicine, Board of
 120 *Virginia Advanced Shipbuilding and Carrier Integration Center Board*
 121 Virginia Board for Asbestos Licensing
 122 Virginia Health Planning Board
 123 Virginia Manufactured Housing Board
 124 Virginia Veterans Care Center Board of Trustees
 125 Virginia Waste Management Board
 126 Visually Handicapped, Virginia Board for the
 127 Waste Management Facility Operators, Board for
 128 Water Control Board, State
 129 Waterworks and Wastewater Works Operators, Board for
 130 Well Review Board, Virginia.

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

135 § 9-14. Expenses of boards.

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

140 § 14.1-18. Compensation of members of General Assembly and certain commissions engaged in
141 legislative services.

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

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

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

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

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

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

163 *3. § 1. The General Assembly finds that the encouragement of major investments in shipbuilding*
 164 *facilities in Virginia, the preservation of thousands of existing jobs, and the creation of new jobs in*
 165 *Virginia's shipbuilding industry are in the best interest of the Commonwealth and its citizens. The*
 166 *General Assembly has determined that the establishment of a center in Virginia to undertake (i) testing*
 167 *and integration development projects, (ii) research, and (iii) training of workers in the shipbuilding*
 168 *industry, will enhance and promote the quality and competitiveness of Virginia's shipbuilding industry, is*
 169 *in the public interest, and will promote the general welfare of the citizens of Virginia. The General*
 170 *Assembly finds that several states have provided financial and other incentives to preserve, expand and*
 171 *promote their shipbuilding industries. The General Assembly further finds that the enactment of*
 172 *incentives for the construction and operation of an advanced shipbuilding and carrier integration center*
 173 *in Virginia is necessary to maintain Virginia's position as a leader in the shipbuilding industry and*
 174 *related defense industries and will thereby contribute to the strength and expansion of Virginia's*
 175 *economy.*

176 § 2. As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

239 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 non-stock non-profit 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. of the Code of Virginia. 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.