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SENATE BILL NO. 410

Offered January 10, 2024

Prefiled January 9, 2024

A BILL to amend and reenact §§ 2.2-2318, 2.2-2320, and 58.1-1733 of the Code of Virginia, relating to Virginia Tourism Authority; Governor's Major Entertainment Opportunity Fund.

 Patron—Head

 Referred to Committee on Finance and Appropriations

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.2-2318, 2.2-2320, and 58.1-1733 of the Code of Virginia are amended and reenacted as follows:

§ 2.2-2318. Powers of Authority.

The Authority, acting through the Executive Director, shall be granted all powers necessary or appropriate to carry out and to effectuate its purposes, including the following to:

1. Have perpetual succession as a public body corporate and as a political subdivision of the Commonwealth;

2. Adopt, amend, and repeal bylaws, rules, and regulations, not inconsistent with this article for the administration and regulation of its affairs, to carry into effect the powers and purposes of the Authority and the conduct of its business;

3. Sue and be sued in its own name;

4. Have an official seal and alter it at will although the failure to affix this seal shall not affect the validity of any instrument executed on behalf of the Authority;

5. Maintain an office at any place within or without the Commonwealth that it designates;

6. Make and execute contracts and all other instruments and agreements necessary or convenient for the performance of its duties and the exercise of its powers and functions under this article;

7. Acquire real or personal property, or any interest therein, by purchase, exchange, gift, assignment, transfer, foreclosure, lease, or otherwise, including rights or easements, and hold, manage, operate, or improve such property;

8. Sell, convey, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of all or any part of its properties and assets;

9. Employ officers, employees, agents, advisers, and consultants, including without limitation, financial advisers and other technical advisers and public accountants and, the provisions of any other law to the contrary notwithstanding, to determine their duties and compensation without the approval of any other agency or instrumentality;

10. Procure insurance, in amounts and from insurers of its choice, or provide self-insurance, against any loss, cost, or expense in connection with its property, assets, or activities, including insurance or self-insurance against liability for its acts or the acts of its directors, employees, or agents and for the indemnification of the members of its Board and its employees and agents;

11. Receive and accept from any source aid, grants, and contributions of money, property, labor, or other things of value to be held, used, and applied to carry out the purposes of this article subject to the conditions upon which the aid, grants, or contributions are made;

12. Enter into agreements with any department, agency, or instrumentality of the United States, the Commonwealth, the District of Columbia, or any state for purposes consistent with its mission;

13. Establish and revise, amend, and repeal, and charge and collect, fees and charges in connection with any activities or services of the Authority;

14. Make grants to local governments with any funds of the Authority available for this purpose;

15. Develop policies and procedures generally applicable to the procurement of goods, services, and construction based on competitive principles;

16. Issue periodicals and carry and charge for advertising therein;

17. Raise money in the corporate, nonprofit, and nonstate communities to finance the Authority's activities;

18. Support and encourage each locality to foster its own tourism development programs;

19. Enter into agreements with public or private entities that provide participating funding to establish and operate tourism centers, funded jointly by the entity and the Authority, as shall be determined by the Executive Director, and as approved by the Authority;

20. Encourage, stimulate, and support tourism in the Commonwealth by promoting, marketing, and advertising the Commonwealth's many tourist attractions and locations;

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SB410

59 21. Encourage, stimulate, and support the film industry in the Commonwealth;
60 22. Do all things necessary or proper to administer and manage the Cooperative Tourism Advertising
61 Fund and the Governor's ~~Motion Picture~~ Major Entertainment Opportunity Fund;
62 23. Update a travel guide for the disabled in the first year of every biennium beginning in fiscal year
63 2003;

64 24. Develop a comprehensive plan to promote destinations of historical and other significance located
65 throughout the Commonwealth in anticipation of the 400th anniversary of the Jamestown settlement; and
66 25. Do any act necessary or convenient to the exercise of the powers granted or reasonably implied
67 by this article and not otherwise inconsistent with state law.

68 **§ 2.2-2320. Governor's Major Entertainment Opportunity Fund.**

69 A. *For the purposes of this section:*

70 "Fund" means the Governor's Major Entertainment Opportunity Fund created pursuant to subsection
71 B.

72 "Live events and performances" means events in which several musical or artistic performances are
73 held in conjunction during a fixed period of time for the purpose of entertaining an audience and
74 attracting tourism.

75 "Motion picture films and productions" means feature films, children's programs, documentaries,
76 television series, or other television programs that have the potential to increase tourism by highlighting
77 the Commonwealth. "Motion picture film and productions" does not include industrial, corporate, or
78 commercial production projects, education programs not intended for rebroadcast, adult films, music
79 videos, and news shows or reports.

80 "Sporting events" means individual or team professional sports, amateur sports, or college sports
81 contests, tournaments, exhibitions, championships, or qualifying events designed to entertain spectators
82 and increase tourism.

83 B. There is created a Governor's ~~Motion Picture~~ Major Entertainment Opportunity Fund (~~the Fund~~)
84 to be used, in the sole discretion of the Governor, to support ~~the film and video industries major~~
85 ~~entertainment events not regularly scheduled~~ in Virginia by providing the means for attracting
86 ~~production companies and producers who make their projects entertainment operations and projects with~~
87 ~~spectators or participants~~ in the Commonwealth using Virginia employees, goods, and services. The
88 Fund shall consist of any moneys appropriated to it in the general appropriation act or revenue from any
89 other source. The Fund shall be established on the books of the Comptroller and any moneys remaining
90 in the Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund.
91 Interest earned on the Fund shall be credited to the Fund.

92 The Fund shall be used by the Governor to assist ~~production companies or producers and incentivize~~
93 ~~major entertainment events~~ that meet the eligibility requirements set forth in the guidelines. The
94 Authority shall assist the Governor in the development of guidelines, *procedures, and objective criteria*
95 for the use of the Fund, *including the awarding and distribution of grants*. The guidelines may require
96 that as a condition of receiving any grant or loan incentive that is based on employment goals, a
97 recipient company must provide copies of employer quarterly payroll reports provided to the Virginia
98 Employment Commission to verify the employment status of any position included in the employment
99 goal. The guidelines (i) should include provisions for geographic diversity and a cap on the amount of
100 money available for a certain project and (ii) *shall require matching funds for any grant awarded from*
101 *the Fund*. The types of projects eligible for consideration ~~will~~ *shall* be ~~feature films, children's programs,~~
102 ~~documentaries, television series or other television programs designed to fit a thirty-minute or longer~~
103 ~~format slot~~ *sporting events, live events and performances, and motion picture films and productions*.
104 Projects not eligible are industrial, corporate or commercial projects, education programs not intended
105 for rebroadcast, adult films, music videos and news shows or reports.

106 *In order to qualify for a grant from the Fund, a grant recipient shall enter into a performance*
107 *agreement with the Authority that contains, at a minimum, provisions regarding disbursement of the*
108 *grant, use of funds, reporting requirements, and repayment obligations in the event that the recipient*
109 *fails to meet the terms of the performance agreement. Any repayment of grant funds required by such*
110 *performance agreement shall be paid into the state treasury and credited to the Fund.*

111 **§ 58.1-1733. Disposition of proceeds.**

112 After the administrative costs for collecting the fees are recovered by the Department of Taxation,
113 the remaining revenues shall be divided as follows:

114 1. Fifty percent shall be deposited into the state's general fund; and

115 2. Fifty percent shall be deposited into the Governor's ~~Motion Picture~~ Major Entertainment
116 Opportunity Fund established under § 2.2-2320. All revenues deposited to the Fund shall be used for
117 film incentive programs established by the Virginia Film Office.