

VIRGINIA ACTS OF ASSEMBLY -- 2008 SESSION

CHAPTER 365

An Act to amend and reenact §§ 22.1-151 and 22.1-161 of the Code of Virginia, relating to the Literary Fund.

[H 769]

Approved March 5, 2008

Be it enacted by the General Assembly of Virginia:

1. That §§ 22.1-151 and 22.1-161 of the Code of Virginia are amended and reenacted as follows:

§ 22.1-151. Evidence of loan.

A. A loan from the Literary Fund shall be evidenced by bonds or notes payable to the Commonwealth of Virginia for the benefit of the Literary Fund, executed or signed by the mayor or the chairman of the governing body and the chairman of the school board and attested by the clerk thereof. Evidence of debt taken for such loans shall be deposited with the State Treasurer and kept by him.

B. Upon the request of a locality, any memorandum of lien held on behalf of the Literary Fund prior to July 1, 2007, and deposited with the State Treasurer or recorded in the appropriate circuit court shall be marked as released. The release of such lien shall in no way affect the obligations of the locality under the loan.

§ 22.1-161. Loan declared indebtedness of the county, city or town; lien on locality's funds created.

Any bonds or notes of a school board held by the Literary Fund are hereby declared to be valid and legally binding indebtedness of the county, city or combination thereof constituting the school division or of the town if the town constitutes the school division. There shall be a lien in favor of the Literary Fund on all funds and income of the county, city or town for the amount of such bonds and notes. Therefore, Literary Fund loans are considered to be general obligation debt of the governing body as defined in § 15.2-2602, and are subject to the provisions of §§ 15.2-2638 and 15.2-2659. *The provisions of this section shall not be affected by the release of any memorandum of lien pursuant to subsection B of § 22.1-151.*