

VIRGINIA ACTS OF ASSEMBLY -- 2008 SESSION

CHAPTER 607

An Act to amend Chapter 193 of the Acts of Assembly of 1950, which provided a charter for the City of Martinsville, by adding in Chapter 12 a section numbered 3, relating to a municipal investment fund.

[S 92]

Approved March 12, 2008

Be it enacted by the General Assembly of Virginia:

1. That Chapter 193 of the Acts of Assembly of 1950 is amended by adding in Chapter 12 a section numbered 3 as follows:

§ 3. The City may establish and maintain a municipal trust or equivalent arrangement for the purpose of accumulating and investing proceeds from the sale of assets owned by the City, and such other funds as the council may contribute pursuant to this section. The principal of the trust or equivalent arrangement shall be (i) all of the proceeds of the sale of any asset owned by the City that generates between \$10 million and \$20 million, (ii) one-half of any such proceeds in excess of \$20 million, (iii) such income generated by the trust or equivalent arrangement remaining unexpended at the close of each fiscal year, and (iv) such other funds as the council may by majority vote to contribute to the trust or equivalent arrangement. Deposits to such trust or equivalent arrangement and any earnings on those deposits shall be exempt from state and local taxation and the assets of any such trust or equivalent arrangement shall not be subject to execution, attachment, garnishment, or any other process. Investment of the assets of the trust or equivalent arrangement shall be managed by a competent professional investment entity, as designated by a contract awarded by the council for a three-year term. All assets or funds of the trust or equivalent arrangement shall be invested in accordance with the prudent person standard established by § 51.1-803 of the Code of Virginia and such investments shall not be limited by Chapter 45 (§ 2.2-4500 et seq.) of Title 2.2 of the Code of Virginia. The principal of the trust or equivalent arrangement may be expended only after a public hearing that has been advertised for two successive weeks in a newspaper having general circulation in the City and upon the two-thirds vote of the council membership. No more than 25 percent of the principal of the trust or equivalent arrangement may be expended in any fiscal year except by unanimous vote of the council membership. Income generated by the fund in each fiscal year may be appropriated, in whole or in part, for any purpose allowed by law by majority vote of the council.