

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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

4
5 Approved

[H 456]

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

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

9 *§ 3. The City may establish and maintain a municipal trust or equivalent arrangement for the*
10 *purpose of accumulating and investing proceeds from the sale of assets owned by the City, and such*
11 *other funds as the council may contribute pursuant to this section. The principal of the trust or*
12 *equivalent arrangement shall be (i) all of the proceeds of the sale of any asset owned by the City that*
13 *generates between \$10 million and \$20 million, (ii) one-half of any such proceeds in excess of \$20*
14 *million, (iii) such income generated by the trust or equivalent arrangement remaining unexpended at the*
15 *close of each fiscal year, and (iv) such other funds as the council may by majority vote to contribute to*
16 *the trust or equivalent arrangement. Deposits to such trust or equivalent arrangement and any earnings*
17 *on those deposits shall be exempt from state and local taxation and the assets of any such trust or*
18 *equivalent arrangement shall not be subject to execution, attachment, garnishment, or any other process.*
19 *Investment of the assets of the trust or equivalent arrangement shall be managed by a competent*
20 *professional investment entity, as designated by a contract awarded by the council for a three-year term.*
21 *All assets or funds of the trust or equivalent arrangement shall be invested in accordance with the*
22 *prudent person standard established by § 51.1-803 and such investments shall not be limited by Chapter*
23 *45 (§ 2.2-4500 et seq.) of Title 2.2 of the Code of Virginia. The principal of the trust or equivalent*
24 *arrangement may be expended only after a public hearing that has been advertised for two successive*
25 *weeks in a newspaper having general circulation in the City and upon the two-thirds vote of the council*
26 *membership. No more than 25 percent of the principal of the trust or equivalent arrangement may be*
27 *expended in any fiscal year except by unanimous vote of the council membership. Income generated by*
28 *the fund in each fiscal year may be appropriated, in whole or in part, for any purpose allowed by law*
29 *by majority vote of the council.*

ENROLLED

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