

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

An Act to amend and reenact § 2.2-4401 of the Code of Virginia, relating to the Virginia Security of Public Deposits Act; qualified public depository; eligible collateral.

[S 398]

Approved

Be it enacted by the General Assembly of Virginia:

1. That § 2.2-4401 of the Code of Virginia is amended and reenacted as follows:

§ 2.2-4401. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Default or insolvency" includes, but shall not be limited to, the failure or refusal of any qualified public depository to return any public deposit upon demand or at maturity and the issuance of an order of supervisory authority restraining such depository from making payments of deposit liabilities or the appointment of a receiver for such depository.

"Eligible collateral" means securities of the character authorized as legal investments under the laws of the Commonwealth for public sinking funds or other public funds and securities acceptable under United States Treasury Department regulations as collateral for the security of treasury tax and loan accounts and Federal Home Loan Bank letters-of-credit that adhere to the guidelines as promulgated by the Treasury Board.

"Located in Virginia" means having a main office or branch office in the Commonwealth where deposits are accepted, checks are paid, and money is lent.

"Public deposit" means moneys of the Commonwealth or of any county, city, town or other political subdivision thereof, including moneys of any commission, institution, committee, board or officer of the foregoing and any state, circuit, county or municipal court, which moneys are deposited in any qualified public depository in any of the following types of accounts: nonnegotiable or registered time deposits, demand deposits, savings deposits, and any other transaction accounts, and security for such deposit is required by other provisions of law, or is required due to an election of the public depositor.

"Qualified public depository" means any national banking association, federal savings and loan association or federal savings bank located in Virginia and, any bank, trust company or savings institution organized under Virginia law, or any state bank or savings institution organized under the laws of another state located in Virginia, that receives or holds public deposits that are secured pursuant to this chapter.

"Default or insolvency" includes, but shall not be limited to, the failure or refusal of any qualified public depository to return any public deposit upon demand or at maturity and the issuance of an order of supervisory authority restraining such depository from making payments of deposit liabilities or the appointment of a receiver for such depository.

"Required collateral" of a qualified public depository means, (i) in the case of a bank, a sum equal to 50 percent of the actual public deposits not covered by federal deposit insurance held at the close of business on the last banking day in the month immediately preceding the date of any computation of such balance, or the average balance of all public deposits for such preceding month, whichever is greater, and (ii) in the case of a savings and loan association or savings bank, a sum equal to 100 percent of the average daily balance for the month immediately preceding the date of any computation of such balance of all public deposits not covered by federal deposit insurance held by such depository but shall not be less than 100 percent of the public deposits held by such depository at the close of business on the last banking day in such preceding month.

"Treasurer" and "public depositor" means the State Treasurer, a county, city, or town treasurer or director of finance or similar officer and the custodian of any other public deposits secured pursuant to this chapter.

"Treasury Board" means the Treasury Board of the Commonwealth created by § 2.2-2415.

"Eligible collateral" means securities of the character authorized as legal investments under the laws of the Commonwealth for public sinking funds or other public funds and securities acceptable under United States Treasury Department regulations as collateral for the security of treasury tax and loan accounts.

"Required collateral" of a qualified public depository means, (i) in the case of a bank, a sum equal to fifty percent of the actual public deposits held at the close of business on the last banking day in the month immediately preceding the date of any computation of such balance, or the average balance of all public deposits for such preceding month, whichever is greater, and (ii) in the case of a savings and

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58 loan association or savings bank, a sum equal to 100 percent of the average daily balance for the month
59 immediately preceding the date of any computation of such balance of all public deposits held by such
60 depository but shall not be less than 100 percent of the public deposits held by such depository at the
61 close of business on the last banking day in such preceding month.

62 "Treasurer" and "public depositor" means the State Treasurer, a county, city, or town treasurer or
63 director of finance or similar officer and the custodian of any other public deposits secured pursuant to
64 this chapter.

65 2. That an emergency exists and this act is in force from its passage.