

10101362D

HOUSE BILL NO. 246

Offered January 13, 2010

Prefiled January 11, 2010

A *BILL to amend and reenact § 2.2-4602 of the Code of Virginia, relating to local government investment pool; limitations.*

Patrons—Merricks, Athey, Marshall, D.W. and Rust

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:**1. That § 2.2-4602 of the Code of Virginia is amended and reenacted as follows:**

§ 2.2-4602. Local government investment pool created.

A. A local government investment pool is created, consisting of the aggregate of all funds from local officials handling public funds that are placed in the custody of the State Treasurer for investment and reinvestment as provided in this chapter.

B. The Treasury Board or its designee shall administer the local government investment pool on behalf of the participating local officials subject to regulations and guidelines adopted by the Treasury Board.

C. The Treasury Board or its designee shall invest moneys in the local government investment pool with the degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. ~~Specifically, the~~ *Notwithstanding the foregoing, no less than 10 percent of local government investment pool assets shall be invested in time, savings, or demand deposits at financial institutions qualified to accept public deposits under Chapter 44 (§ 2.2-4400 et seq.) of this title. Other types of authorized* investments for local government investment pool assets shall be limited to those set forth for local officials in Chapter 45 (§ 2.2-4500 et seq.) of this title.

D. A separate account for each participant in the fund shall be kept to record individual transactions and totals of all investments belonging to each participant. A monthly report showing the changes in investments made during the preceding month shall be furnished to each participant having a beneficial interest in the local government investment pool. Details of any investment transaction shall be furnished to any participant upon request.

E. The Treasury Board or its designee shall administer and handle the accounts in the same manner as bond and sinking fund trust accounts.

F. The principal and accrued income, and any part thereof, of each and every account maintained for a participant in the local government investment pool shall be subject to payment at any time from the local government investment pool upon request, subject to applicable regulations and guidelines. Accumulated income shall be remitted or credited to each participant at least quarterly.

G. Except as provided in this section, all instruments of title of all investments of the local government investment pool shall remain in the custody of the State Treasurer. The State Treasurer may deposit with one or more fiscal agents or banks, those instruments of title he considers advisable, to be held in safekeeping by the agents or banks for collection of the principal and interest or other income, or of the proceeds of sale. The State Treasurer shall collect the principal and interest or other income from investments of the investment pool, the instruments of title to which are in his custody, when due and payable.

INTRODUCED

HB246