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SENATE BILL NO. 583

Offered January 13, 2016

Prefiled January 13, 2016

A *BILL to amend and reenact §§ 2.2-1803, 2.2-1813, 2.2-1814, and 2.2-4401 of the Code of Virginia, relating to credit unions.*

Patron—Stanley

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.2-1803, 2.2-1813, 2.2-1814, and 2.2-4401 of the Code of Virginia are amended and reenacted as follows:

§ 2.2-1803. State Treasurer; regulation procedures for depositing money.

The State Treasurer may adopt regulations or other directives establishing procedures for depositing moneys in ~~depository banks~~ *state depositories* and for reporting the deposits. The regulations may address, by way of explanation and not limitation: (i) the form of the required reports; (ii) the frequency of reports and deposits; (iii) the disposition of checks; and (iv) the establishment of ~~banking~~ *depository* relationships. All agencies and entities depositing moneys to the credit of the Treasurer of Virginia, including judicial and legislative service agencies, clerks of court, local treasurers or other officials performing similar duties, and political subdivisions, shall comply with the State Treasurer's regulations or other directives.

§ 2.2-1813. Deposits in banks, savings institutions, or credit unions designated as state depositories.

Moneys to be paid into the state treasury shall be deposited in the banks ~~and~~, savings institutions, *or credit unions* designated as state depositories by the State Treasurer.

§ 2.2-1814. Amount and time limit of deposits.

The State Treasurer may arrange for and make state deposits in such amounts and for such time as in his judgment the condition of the state treasury permits; however, no state deposit shall be made for a period in excess of five years. The money deposited in a bank ~~or~~, savings institution, *or credit union* in excess of the amount insured by the Federal Deposit Insurance Corporation, *National Credit Union Share Insurance Fund*, or other federal insurance agency shall be fully collateralized by eligible collateral as defined in § 2.2-4401.

§ 2.2-4401. Definitions.

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

"Dedicated method" or "opt-out method" means the securing of public deposits without accepting the contingent liability for the losses of public deposits of other qualified public depositories, pursuant to § 2.2-4404 and regulations and guidelines promulgated by the Treasury Board.

"Defaulting depository" means any qualified public depository determined to be in default or insolvent.

"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 or instruments authorized as legal investments under the laws of the Commonwealth for public sinking funds or other public funds as well as Federal Home Loan Bank letters of credit issued in accordance with guidelines 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.

"Pooled method" means securing public deposits by accepting the contingent liability for the losses of public deposits of other qualified public depositories choosing this method, pursuant to § 2.2-4403 and regulations and guidelines promulgated by the Treasury Board.

"Public deposit" means moneys held by a public depositor who is charged with the duty to receive or administer such moneys and is acting in an official capacity, such moneys being deposited in any of the following types of accounts: nonnegotiable time deposits, demand deposits, savings deposits, or any other transaction accounts.

"Public depositor" means the Commonwealth or any county, city, town or other political subdivision thereof, including any commission, institution, committee, board, or officer of the foregoing, and any state court.

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59 "Qualified escrow agent" means the State Treasurer or any bank or trust company approved by the
60 Treasury Board to hold collateral pledged to secure public deposits.

61 "Qualified public depository" means any national banking association, federal savings and loan
62 association ~~or~~, federal savings bank, *or credit union* located in Virginia, any bank, trust company ~~or~~,
63 savings institution, *or credit union* organized under Virginia law, or any state bank ~~or~~, savings
64 institution, *or credit union* organized under the laws of another state located in Virginia authorized by
65 the Treasury Board to hold public deposits according to this chapter.

66 "Required collateral" of a qualified public depository means the amount of eligible collateral required
67 to secure public deposits set by regulations or an action of the Treasury Board.

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