

VIRGINIA ACTS OF ASSEMBLY -- 2008 SESSION

CHAPTER 103

An Act to amend the Code of Virginia by adding in Chapter 45 of Title 2.2 a section numbered 2.2-4518, relating to the Investment of Public Funds Act; Certificate of Deposit Account Registry Service.

[S 399]

Approved March 2, 2008

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 45 of Title 2.2 a section numbered 2.2-4518 as follows:

§ 2.2-4518. Investment of funds in certificates of deposit.

A. Notwithstanding any provision of law to the contrary, the Commonwealth and all public officers, municipal corporations, other political subdivisions, and all other public bodies of the Commonwealth, each referred to in this section as a "public entity," may invest any or all of the moneys belonging to them or within their control in accordance with the following conditions:

1. The moneys are initially invested through any federally insured bank or savings institution selected by the public entity that is qualified by the Virginia Treasury Board to accept public deposits;

2. The selected bank or savings institution arranges for the deposit of the moneys in certificates of deposit in one or more federally insured banks or savings institutions wherever located, for the account of the public entity;

3. The full amount of principal and any accrued interest of each such certificate of deposit are covered by federal deposit insurance;

4. The selected bank or savings institution acts as custodian for the public entity with respect to such certificates of deposit issued for the public entity's account; and

5. At the same time that the public entity's moneys are deposited and the certificates of deposit are issued, the selected bank or savings institution receives an amount of deposits from customers of other financial institutions wherever located equal to or greater than the amount of moneys invested by the public entity through the selected bank or savings institution.

B. Moneys arranged to be invested by the selected bank or savings institution in certificates of deposit in one or more federally insured banks or savings institutions wherever located, for the account of the public entity in accordance with the conditions prescribed in subsection A shall not be subject to the provisions of Chapter 44 (§ 2.2-4400 et seq.), § 2.2-4515, or any security or collateral requirements that may otherwise be applicable to the investment or deposit of public moneys by government investors.