

20102900D

SENATE BILL NO. 777

Offered January 8, 2020

Prefiled January 8, 2020

A *BILL to amend and reenact § 2.2-4402 of the Code of Virginia, relating to Virginia Security for Public Deposits Act; collateral for public deposits; timeframe.*

Patrons—Lewis; Delegate: Cole, M.L.

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That § 2.2-4402 of the Code of Virginia is amended and reenacted as follows:

§ 2.2-4402. Collateral for public deposits.

Qualified public depositories shall elect to secure deposits by either the pooled method or the dedicated method. Every qualified public depository shall deposit with a qualified escrow agent eligible collateral equal to or in excess of the required collateral *within two business days of accepting the public deposit*. Eligible collateral shall be valued as determined by the Treasury Board. Substitutions and withdrawals of eligible collateral may be made as determined by the Treasury Board.

Notwithstanding any other provisions of law, no qualified public depository shall be required to give bond or pledge securities or instruments in the manner herein provided for the purpose of securing deposits received or held in the trust department of the depository and that are secured as required by § 6.2-1005 of the Code of Virginia or that are secured pursuant to Title 12, U.S.C. § 92a of the United States Code by securities of the classes prescribed by § 6.2-1005 of the Code of Virginia.

No qualified public depository shall accept or retain any public deposit that is required to be secured unless it has deposited eligible collateral equal to its required collateral *within two business days of accepting the public deposit* with a qualified escrow agent pursuant to this chapter.

INTRODUCED

SB777