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WEST VIRGINIA LEGISLATURE

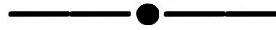
SECOND REGULAR SESSION, 2008



ENROLLED

House Bill No. 2517

(By Delegates Moore, Kominar, Perry, Barker, Carmichael and Ashley)



Passed February 6, 2008

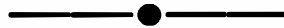
In Effect Ninety Days from Passage

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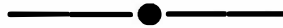
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H. B. 2517

(BY DELEGATES MOORE, KOMINAR, PERRY,
BARKER, CARMICHAEL AND ASHLEY)

[Passed February 6, 2008; in effect ninety days from passage.]

AN ACT to amend and reenact §31A-8A-2 and §31A-8A-3 of the Code of West Virginia, 1931, as amended, relating to establishing requirements for a West Virginia state bank or a West Virginia state bank holding company in control of a West Virginia state bank to acquire an out-of state bank or bank holding company; requiring that the application for the acquisition filed with the appropriate federal regulator be filed with the commissioner of banking prior to the acquisition; exceptions for certain acquisitions involving a merger and establishment of branches.

Be it enacted by the Legislature of West Virginia:

That §31A-8A-2 and §31A-8A-3 of the Code of West Virginia, 1931, as amended, be amended and reenacted, all to read as follows:

ARTICLE 8A. ACQUISITION OF BANKS BY BANK HOLDING COMPANIES.

§31A-8A-2. Scope and statement of legislative intent.

1 This article sets forth the conditions under which a
2 company may acquire a West Virginia state bank may form
3 or acquire a West Virginia bank holding company, or may
4 acquire an out-of-state bank or out-of-state bank holding
5 company. This article is intended not to discriminate against
6 out-of-state bank holding companies or against foreign bank
7 holding companies in any manner that would violate Section
8 3(d) of the Bank Holding Company Act, 12 U.S.C. §1842(d),
9 as amended, effective September 29, 1995, by Section 101 of
10 the Riegle-Neal Interstate Banking and Branching Efficiency
11 Act of 1994, Public Law No. 103-328.

§31A-8A-3 Permitted acquisitions.

1 (a) Except as otherwise expressly permitted by federal
2 law, a company may not form a West Virginia bank holding
3 company or acquire a West Virginia state bank or a bank
4 holding company controlling a West Virginia state bank
5 without the prior application and approval upon order of the
6 board. A West Virginia state bank or West Virginia state
7 bank holding company which controls, directly or indirectly,
8 a West Virginia state bank may not acquire an out-of-state
9 bank or out-of-state bank holding company without first
10 filing with the commissioner a copy of the application it files
11 with the appropriate federal regulator unless the acquisition
12 involves a merger and establishment of branches pursuant to
13 article eight-d of this chapter.

14 (b) The prohibition in subsection (a) of this section shall
15 not apply where the acquisition is made:

16 (1) Solely for the purpose of facilitating an acquisition
17 otherwise permitted under this article;

18 (2) In a transaction arranged by the commissioner with
19 the consent of the West Virginia board of banking and
20 financial institutions with another state or federal bank
21 supervisory agency to prevent the insolvency or closing of
22 the acquired bank; or

23 (3) In a transaction in which a national bank or out-of-
24 state state bank forms its own bank holding company, if the
25 ownership rights of the former bank shareholders are
26 substantially similar to those of the shareholders of the new
27 bank holding company.

28 (c) In any transaction involving the acquisition or change
29 in control of a West Virginia bank, West Virginia bank
30 holding company, bank branch located in West Virginia by
31 a bank holding company, the formation of a West Virginia
32 bank holding company or the acquisition of a thrift institution
33 in West Virginia by a bank holding company for which an
34 application to the board for approval is not initially required
35 under subsection (a) of this section, the party seeking the
36 action shall give written notice to the commissioner at the
37 time the application or notice is filed with the responsible
38 federal bank supervisory agency and at least forty-five days
39 before the effective date of the acquisition, unless a shorter
40 period of notice is required under applicable federal law. In
41 addition, the parties shall give the commissioner copies of all
42 final federal and state applications filed in connection with
43 the transaction together with a two hundred fifty dollar filing
44 fee. Unless preempted by federal law, the commissioner has
45 thirty days from receipt of the written notice to object to any
46 proposed transaction, require an application and request a
47 hearing before the board on the basis that the transaction is
48 contrary to applicable West Virginia law. The failure to
49 object within thirty days shall be construed as consent by the
50 commissioner, or, in his or her discretion, the commissioner
51 may, at any time, consent in writing.

52 (d) To the extent that any acquisition under this section
53 involves the merger of a bank with and into a West Virginia
54 state bank, the merger transaction remains subject to the
55 jurisdiction and approval of the board pursuant to section
56 seven, article seven of this chapter or article eight-d of this
57 chapter, as applicable.

58 (e) An acquisition shall not be permitted under this article
59 or otherwise if upon consummation of the transaction, the
60 resulting bank or bank holding company, including any

61 depository institutions affiliated with the applicant, would
62 assume sufficient additional deposits to cause it to control
63 deposits in this state in excess of that allowed by section
64 twelve-a, article two of this chapter: *Provided*, That the
65 commissioner may by rule adopt a procedure whereby the
66 acquisition deposit limitation as set forth in this code may be
67 waived for good cause shown. The commissioner shall
68 calculate the acquisition deposit limitation based upon the
69 most recently available reports containing the deposit
70 information filed with state or federal authorities.

That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chandy White
Chairman Senate Committee

[Signature]
Chairman House Committee

Originating in the House.

In effect ninety days from passage.

Darrell Holmes
Clerk of the Senate

Bugay In. P. J.
Clerk of the House of Delegates

Carl Ray Tomblin
President of the Senate

[Signature]
Speaker of the House of Delegates

The within *is approved* this the *14th*
day of *February*, 2008.

[Signature]
Governor

PRESENTED TO THE
GOVERNOR

FEB 11 2008

Time 3:40 pm