

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1935

ENROLLED

HOUSE BILL No. 302

(By Mr. Lantz)

PASSED February 28, 1935

In Effect from Passage

302

ENROLLED
House Bill No. 302

(By MR. LANTZ, by request)

[Passed February 23, 1935; in effect from passage.]

AN ACT authorizing banking institutions to issue and sell capital notes or debentures; subordinating same to other claims; construing the term "capital" as used in the banking laws to embrace the amount of capital notes and debentures outstanding and sold to the Reconstruction Finance Corporation; providing that the capital stock of a banking institution shall be deemed unimpaired when the amount of said capital notes or debentures as represented by cash or sound assets exceeds any impairment as found by the state banking commissioner; requiring any existing deficiency in capital to be paid in cash before retiring said capital notes or debentures; exempting them from assessment and the holders of same individually from any obligations of such institutions and from any assessments to restore impairment of their capital.

Be it enacted by the Legislature of West Virginia:

Section 1. With the approval of the state banking commissioner any banking institution may at any time through action of its board of directors and without requiring any action of its stockholders issue and sell its capital notes or debentures. Such capital notes or debentures shall be subordinate and subject to the claims of depositors and may be subordinated and subjected to the claims of other creditors.

The term "capital" as used in the laws of this state relating to banking shall be construed to embrace the amount of outstanding capital notes and debentures legally issued by any banking institution and sold by it to the Reconstruction Finance Corporation. The capital stock of any such banking institution may be deemed to be unimpaired when the amount of such capital notes and debentures as represented by cash or sound assets exceeds the impairment as found by the state banking commissioner. Before any such capital notes or debentures are retired or paid by the bank any existing deficiency of its capital (disregarding the notes or debentures to be retired) must be paid in cash, to the end that the sound capital assets shall at least equal the capital stock of the bank.

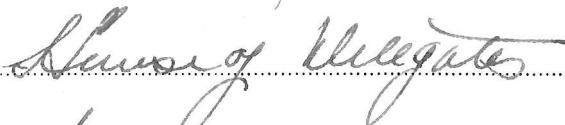
21 Such capital notes or debentures shall in no case be subject
22 to any assessment. The holders of such capital notes or de-
23 bentures shall not be held individually responsible as such
24 holders for any debts, contracts, or engagements of such in-
25 stitution, and shall not be held liable for assessments to restore
26 impairments in the capital of such institution.

Sec. 2. All laws or parts of laws in conflict herewith are
2 hereby repealed.

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

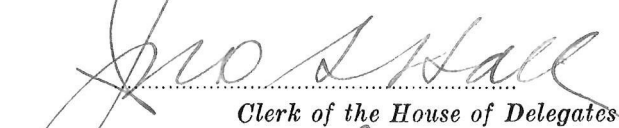

Chairman Senate Committee


Chairman House Committee

Originated in the 

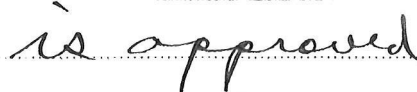
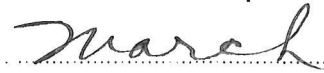
Takes effect  passage.


Clerk of the Senate


Clerk of the House of Delegates


President of the Senate


Speaker House of Delegates.

The within  this the 6th
day of , 1935.


Governor.

Filed in the office of the Secretary of State
of West Virginia. **MAR 11 1935**
Wm. S. O'BRIEN,
Secretary of State