

# WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1959

## ENROLLED

SENATE BILL NO. 273

(By Mr. Bean & Mr. Canyan)

PASSED March 10 1959

In Effect 90 days from Passage



Filed in Office of the Secretary of State  
of West Virginia MAR 18 1959

JOE F. BURDETT  
SECRETARY OF STATE

273

**ENROLLED**

**Senate Bill No. 273**

(By MR. BEAN, MR. PRESIDENT, AND MR. CARRIGAN)

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AN ACT to amend chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new article, to be designated article fourteen, authorizing the incorporation of business development corporations to promote, develop and advance the business prosperity and economic welfare of the state of West Virginia and its citizens; to encourage and assist through loans, investments or other business transactions in the locating of new business and industry within the state and to rehabilitate and assist existing businesses and industries; to stimulate and promote the expansion of all

kinds of business and industrial activity which will tend to advance business and industrial development and maintain the economic stability of the state, provide maximum opportunities for employment, encourage thrift, and improve the standard of living of the citizens of the state; to cooperate and act in conjunction with the West Virginia industrial and publicity commission and with other organizations, federal, state or local, in the promotion and advancement of industrial, commercial, agricultural and recreational developments; to provide financing for the promotion, development and conduct of all kinds of business activity within the state, and exempting such corporations from payment of license and business and occupation taxes.

*Be it enacted by the Legislature of West Virginia:*

That chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new article designated article fourteen, to read as follows:

**Article 14. West Virginia Business Development Corporations.**

Section 1. *Short Title; Definitions.*—This article shall be

2 known and may be cited as the "West Virginia Business  
3 Development Corporation Act".

4 As used in this article, the following words and phrases,  
5 unless definitely defined or described, shall have the mean-  
6 ings and references as follows:

7 (1) "Business Development Corporation": A West Vir-  
8 ginia business development corporation created and or-  
9 ganized under the provisions of this article.

10 (2) "Financial Institution": Any banking corporation  
11 or trust company, savings bank, building and loan associ-  
12 ation, industrial loan company, insurance company, or  
13 similar corporation, partnership, foundation, or other in-  
14 stitution, either domestic or foreign, which is engaged in  
15 lending or investing funds.

16 (3) "Member": Any financial institution authorized to  
17 do business within this state which shall undertake to lend  
18 money to a corporation created under this article, upon  
19 its call, and in accordance with the provisions of this ar-  
20 ticle.

21 (4) "Board of Directors": The board of directors cre-  
22 ated under this article.

23       (5) "Loan Limit": For any member, the maximum  
24 amount permitted to be outstanding at one time on loans  
25 made by such member to the corporation, as determined  
26 under the provisions of this article.

      Sec. 2. *Agreement of Incorporation.*—Any number of  
2 persons, not fewer than ten, a majority of whom shall be  
3 bona fide residents of this state, may associate to create  
4 a business development corporation under the provisions  
5 of this article for the purpose of promoting, developing  
6 and advancing business and industrial development within  
7 the state and, to that end, may exercise the powers, rights  
8 and privileges hereinafter provided. The persons desiring  
9 to form such corporation shall sign, acknowledge and file  
10 with the secretary of state an agreement in the general  
11 form prescribed by the secretary of state, in which shall  
12 be set forth:

13       (1) The name of the corporation, which shall contain the  
14 words "Business Development Corporation", together  
15 with a designation of the area or locality within the state  
16 in which said corporation is intended to operate.

17     (2) The post office address of its principal office or  
18 place of business.

19     (3) The object or objects for which the corporation is  
20 formed, which shall include the following:

21     To promote, develop and advance the business prosper-  
22 ity and economic welfare of the state of West Virginia  
23 and its citizens; to encourage and assist through loans,  
24 investments or other business transactions in the locating  
25 of new business and industry within the state and to re-  
26 habilitate and assist existing businesses and industries;  
27 to stimulate and promote the expansion of all kinds of  
28 business and industrial activity which will tend to ad-  
29 vance business and industrial development and maintain  
30 the economic stability of the state, provide maximum op-  
31 portunities for employment, encourage thrift, and im-  
32 prove the standard of living of the citizens of the state;  
33 to cooperate and act in conjunction with the West Vir-  
34 ginia industrial and publicity commission and with other  
35 organizations, federal, state or local, in the promotion and  
36 advancement of industrial, commercial, agricultural and  
37 recreational developments within the state; and to fur-

38 nish money and credit, land and industrial sites, technical  
39 assistance and such other aid as may be deemed requisite  
40 to approved and deserving applicants for the promotion,  
41 development and conduct of all kinds of business activity  
42 within the state.

43 (4) The names and post office addresses of the in-  
44 corporators, and the number of shares of stock subscribed  
45 by each.

46 (5) Whether or not the corporation is to have per-  
47 petual existence; if not, the time when its existence is to  
48 commence and the time when its existence is to cease.

49 (6) Any provision in which the incorporators may  
50 choose to insert for the management of the business and  
51 for the conduct of the affairs of the corporation, and any  
52 provisions creating, defining, limiting and regulating the  
53 powers of the corporation, the directors and the stock-  
54 holders and members thereof: *Provided, however, That*  
55 such provisions are not contrary to the provisions of this  
56 article.

57 (7) The agreement may also contain the following  
58 provision in *haec verba, viz:*

59 “Whenever a compromise or arrangement is proposed  
60 between this corporation and its creditors or any class of  
61 them and/or between this corporation and its stockholders  
62 or any class of them, any court of equitable jurisdiction  
63 within the state of West Virginia may, on the application  
64 in a summary way of this corporation or of any creditor  
65 or stockholder thereof, or on the application of trustees in  
66 dissolution or of any receiver or receivers appointed for  
67 this corporation under the laws of the state of West Vir-  
68 ginia, order a meeting of the creditors or class of creditors,  
69 and/or of the stockholders or class of stockholders of this  
70 corporation, as the case may be, to be summoned in such  
71 manner as the court directs. If a majority in number  
72 representing three-fourths in value of the creditors or  
73 class of creditors, and/or of the stockholders of this cor-  
74 poration, as the case may be, agree to any compromise or  
75 arrangement and to any reorganization of this corporation  
76 as consequence of such compromise or arrangement, such  
77 compromise or arrangement and such reorganization  
78 shall, if sanctioned by the court to which such application  
79 has been made, be binding on all the creditors or class of



80 creditors, and/or on all the stockholders or class of stock-  
81 holders of this corporation, as the case may be, and also  
82 on this corporation.”

Sec. 3. *Authorized Capital Stock.*—The agreement of  
2 incorporation shall set forth the total amount of authorized  
3 capital stock, the number of shares in which it is divided,  
4 the par value of each of such shares and the amount of  
5 capital stock with which it will commence business and,  
6 if there be more than one class of stock, the total number  
7 of shares of all classes of stock which the corporation shall  
8 have authority to issue, with a description of the different  
9 classes and all other information with respect thereto  
10 required by article one, section six of this chapter. In all  
11 cases, the actual capital stock and the authorized capital  
12 stock of a corporation organized under the provisions of  
13 this article shall be the same. No corporation organized  
14 hereunder shall sell its shares for any consideration other  
15 than money.

Sec. 4. *Issuance of Charter.*—Upon the filing in the of-  
2 fice of the secretary of state of the agreement provided  
3 for in section two of this article, the secretary of state

4 shall issue his certificate as provided in section seven, arti-  
5 cle one of this chapter, except that the secretary of state  
6 shall not require the payment of the license tax provided  
7 for in sections seventy-eight and seventy-nine, article  
8 twelve, chapter eleven of the code of West Virginia, one  
9 thousand nine hundred thirty-one, as amended. A corpora-  
10 tion organized under the provisions of this article shall be  
11 exempt from such license tax.

Sec. 5. *Corporate Powers.*—In furtherance of the pur-  
2 poses set out in section two of this article, and in addition  
3 to the powers conferred on business corporations by the  
4 provisions of this chapter, such corporation shall, subject  
5 to the restrictions and limitations herein contained, have  
6 the following powers:

7 (a) To enter into contracts and incur liabilities for any  
8 purposes of the corporation; except that the corporation  
9 shall not incur any secondary liability by way of guaranty  
10 or endorsement of the obligations of any person, firm, cor-  
11 poration, joint-stock company, association or trust, or in  
12 any other manner.

13 (b) To borrow money for any of the purposes of the  
14 corporation, including, but without implied limitation,  
15 the right to obtain loans under the provisions of "Title V  
16 of the Small Business Investment Act of 1958", as amend-  
17 ed, or from any other similar governmental agency; to  
18 issue therefor its bonds, debentures, notes or other evi-  
19 dences of indebtedness, whether secured or unsecured,  
20 and to secure the same by mortgage, pledge, deed of trust  
21 or other lien on its property, franchises, rights and privi-  
22 leges of every kind and nature or any part thereof or in-  
23 terest therein, without securing stockholder or member  
24 approval: *Provided*, That no loan to the corporation shall  
25 be secured in any manner unless all outstanding loans to  
26 the corporation shall be secured equally and ratably in  
27 proportion to the unpaid balance of such loans and in the  
28 same manner.

29 (c) To make loans to any person, firm, corporation,  
30 joint-stock company, association or trust, and to establish  
31 and regulate the terms and conditions with respect to any  
32 such loans and the charges for interest and services con-  
33 nected therewith; upon condition, however, that the cor-

34 corporation shall not approve any application for or make any  
35 loan unless and until the applicant shall show that it has  
36 applied for the loan through ordinary banking channels  
37 and that the loan has been refused by at least one bank.

38 (d) To purchase, receive, hold, lease, or otherwise ac-  
39 quire and to sell, convey, transfer, lease, or otherwise dis-  
40 pose of real and personal property, together with such  
41 rights and privileges as may be incidental and appurtenant  
42 thereto and the use thereof, including, but not restricted  
43 to, any real or personal property acquired by the corpora-  
44 tion from time to time in the satisfaction of debts or en-  
45 forcement of obligations.

46 (e) To acquire the good will, business, rights, real and  
47 personal property, and other assets, or any part thereof,  
48 or interest therein, of any persons, firms, corporations,  
49 joint-stock companies, associations or trusts, and to as-  
50 sume, undertake or pay the obligations, debts and liabili-  
51 ties of any such person, firm, corporation, joint-stock com-  
52 pany, association or trust; to acquire improved or un-  
53 improved real estate for the purpose of constructing in-  
54 dustrial plants or other business establishment thereon

55 or for the purpose of disposing of such real estate to others  
56 for the construction of industrial plants or other business  
57 establishments; and to acquire, construct or reconstruct,  
58 alter, repair, maintain, operate, sell, convey, transfer, lease  
59 or otherwise dispose of industrial plants or business es-  
60 tablishments.

61 (f) To acquire, subscribe for, own, hold, sell, assign,  
62 transfer, mortgage, pledge or otherwise dispose of the  
63 stock, shares, bonds, debentures, notes or other securities  
64 and evidences of interest in, or indebtedness of, any per-  
65 son, firm, corporation, joint-stock company, association or  
66 trust, and while the owner or holder thereof to exercise  
67 all the rights, powers and privileges of ownership, in-  
68 cluding the right to vote any such shares of stock.

69 (g) To mortgage, pledge, or otherwise encumber any  
70 property, right or thing of value, acquired pursuant to  
71 the powers contained in paragraphs (d), (e), or (f), as  
72 security for the payment of any part of the purchase price  
73 thereof.

74 (h) To cooperate with and avail itself of the facilities  
75 of the industrial and publicity commission of this state

76 and any similar governmental agency; and to cooperate  
77 with and assist, and otherwise encourage organizations in  
78 the various communities of the state in the promotion,  
79 assistance, and development of the business prosperity  
80 and economic welfare of such communities or of this state  
81 or any part thereof.

82 (i) To do all acts and things necessary or convenient  
83 to carry out the powers expressly granted in this article.

Sec. 6. *Board of Directors; Officers.*—The business and  
2 affairs of the corporation shall be managed and conducted  
3 by a board of directors, a president and treasurer, and such  
4 other officers and such agents as the corporation by its  
5 bylaws shall authorize. The board of directors shall be de-  
6 termined by the incorporators and, thereafter, by the  
7 stockholders and the members of the corporation, but the  
8 number of directors shall be a multiple of three.

9 The board of directors may exercise all the powers of  
10 the corporation except such as are conferred by law or by  
11 the bylaws of the corporation upon the stockholders or  
12 members and shall choose and appoint all the agents and  
13 officers of the corporation and fill all vacancies except va-

14 cancies in the office of director which shall be filled as  
15 hereinafter provided.

16 The board of directors shall be elected in the first in-  
17 stance by the incorporators and thereafter at each annual  
18 meeting of the corporation, or, if no annual meeting shall  
19 be held in any year at the time fixed by the bylaws, at a  
20 special meeting held in lieu thereof, the members of the  
21 corporation shall elect two-thirds of the board of directors  
22 and the stockholders shall elect the remaining directors.  
23 The directors shall hold office until the next annual meet-  
24 ing of the corporation or special meeting held in lieu of  
25 the annual meeting after their election, and until their  
26 successors are elected and qualified unless sooner removed  
27 in accordance with the provisions of the bylaws.

28 Any vacancy in the office of a director elected by the  
29 members shall be filled by the directors elected by the  
30 members, and any vacancy in the office of a director elect-  
31 ed by the stockholders shall be filled by the directors  
32 elected by the stockholders.

33 Directors and officers shall not be responsible for losses

34 unless the same shall have been occasioned by the wilful  
35 misconduct of such directors and officers.

Sec. 7. *Financial Institutions as Members of Corpora-*  
2 *tion; Loans to Corporation by Members.*—Any financial  
3 institution as defined in section one of this article is  
4 authorized to become a member of a corporation organ-  
5 ized under the provisions of this article by making appli-  
6 cation to the board of directors on such form and in such  
7 manner as the board of directors may require and mem-  
8 bership shall become effective upon acceptance of such  
9 application by said board. Membership in the corporation  
10 shall be for the duration of the corporation: *Provided,*  
11 *however,* That upon written notice given to the corpora-  
12 tion one year in advance, a member may withdraw from  
13 membership in the corporation at the expiration date of  
14 such notice and shall not thereafter be obligated to make  
15 any loans to the corporation.

16 Each member of the corporation shall make loans to  
17 the corporation as and when called upon by it to do so  
18 on such terms and other conditions as shall be mutually  
19 approved from time to time by the board of directors of



20 the corporation and such members, subject to the follow-  
21 ing conditions:

22 (1) All loan limits shall be established at the thousand-  
23 dollar amount nearest to the amount computed in ac-  
24 cordance with the provisions of this section.

25 (2) No loans to the corporation shall be made if im-  
26 mediately thereafter, the total amount of the obligations  
27 of the corporation would exceed ten times the amount  
28 then paid in on the outstanding capital stock of the cor-  
29 poration.

30 (3) The total amount outstanding on loans to the cor-  
31 poration made by any member at any one time, when  
32 added to the amount of the investment in the capital  
33 stock of the corporation then held by such member, shall  
34 not exceed:

35 (a) Twenty per cent of the total amount then out-  
36 standing on loans to the corporation by all members, in-  
37 cluding in said total amount outstanding, amounts validly  
38 called for loans but not yet loaned.

39 (b) The following limit, to be determined as of the  
40 time such member becomes a member on the basis of the

41 audited balance sheet of such member at the close of its  
42 fiscal year immediately preceding its application for mem-  
43 bership, or, in the case of an insurance company, its last  
44 annual statement to the commissioner of insurance; two  
45 per cent of the capital and surplus of commercial banks  
46 and trust companies; one per cent of the total outstanding  
47 loans made by a building and loan association or industrial  
48 loan company; one per cent of the capital and unassigned  
49 surplus of stock insurance companies, except fire insur-  
50 ance companies; one per cent of the unassigned surplus of  
51 mutual insurance companies, except fire insurance com-  
52 panies, one-tenth of one per cent of the assets of fire in-  
53 surance companies; and such limits as may be approved  
54 by the board of directors of the corporation for other fi-  
55 nancial institutions.

56 Subject to paragraph three (a) of this section, each call  
57 made by the corporation shall be prorated among the  
58 members of the corporation in substantially the same  
59 proportion that the adjusted loan limit of each member  
60 bears to the aggregate of the adjusted loan limit of all  
61 members. The adjusted loan limit of a member shall be

62 the amount of such member's loan limit, reduced by the  
63 balance of outstanding loans by such member to the cor-  
64 poration and the investment in capital stock of the cor-  
65 poration held by such member at the time of such call.

66 All loans to the corporation by members, shall be evi-  
67 denced by bonds, debentures, notes or other evidences of  
68 indebtedness of the corporation, which shall be freely  
69 transferable at all times, and which shall bear interest at  
70 a rate of not less than one quarter of one per cent in excess  
71 of the rate of interest determined by the board of directors  
72 to be the prime rate prevailing at the date of issuance  
73 thereof on unsecured commercial loans.

Sec. 8. *Stockholders and Members; Voting.*—The stock-  
2 holders and the members of the corporation shall have the  
3 power to determine the number of and to elect directors  
4 as provided heretofore, to make, amend and repeal by-  
5 laws, to amend the corporate charter in the manner here-  
6 inafter provided, and to exercise such other of the powers  
7 of the corporation as may be conferred on the stockholders  
8 and the members by the bylaws. As to all matters requir-  
9 ing action by the stockholders and the members of the

10 corporation, said stockholders and said members shall vote  
11 separately thereon by classes, and, except as otherwise  
12 herein provided, such matters shall require the affirma-  
13 tive vote of a majority of the votes to which the stock-  
14 holders present or represented at the meeting shall be en-  
15 titled and the affirmative vote of a majority of the votes  
16 to which the members present or represented at the meet-  
17 ing shall be entitled. Each stockholder shall have one vote,  
18 in person or by proxy, for each share of capital stock held  
19 by him, and each member shall have one vote, in person  
20 or by proxy, except that any member having a loan limit  
21 of more than one thousand dollars shall have one addi-  
22 tional vote, in person or by proxy, for each additional one  
23 thousand dollars which such member is authorized to have  
24 outstanding on loans to the corporation at any one time.

Sec. 8-a. *Economic Regions Created.*—1. Without limi-  
2 tation upon the power created by this article for the for-  
3 mation of business development corporations restricted in  
4 activity or in membership to areas or regions less than  
5 state wide, there may be created under the provision

6 hereof a business development corporation co-extensive,  
7 in the area to be served and from which membership may  
8 be drawn, with the state of West Virginia.

9 2. In the event of organization of such state-wide busi-  
10 ness development corporation, and for the purpose of this  
11 section the state is hereby divided into ten economic  
12 regions as follows:

13 (1) Wheeling region: The counties of Hancock, Brooke,  
14 Ohio, Marshall, Wetzel and Tyler.

15 (2) Parkersburg region: The counties of Pleasants,  
16 Wood, Ritchie, Wirt, Calhoun, Roane and Jackson.

17 (3) Clarksburg region: The counties of Harrison,  
18 Doddridge, Taylor, Marion, Monongalia and Preston.

19 (4) Keyser region: The counties of Grant, Hardy, Min-  
20 eral, Hampshire, Berkeley, Morgan and Jefferson.

21 (5) Elkins region: The counties of Barbour, Randolph,  
22 Pocahontas, Tucker and Pendleton.

23 (6) Weston region: The counties of Lewis, Gilmer,  
24 Braxton, Webster and Upshur.

25 (7) Lewisburg region: The counties of Greenbrier,  
26 Nicholas, Fayette, Summers and Monroe.

27     (8) Charleston region: The counties of Kanawha, Clay,  
28 Putnam, Mason and Boone.

29     (9) Huntington region: The counties of Cabell, Wayne,  
30 Lincoln, Mingo and Logan.

31     (10) Bluefield region: The counties of Raleigh, Wyo-  
32 ming, McDowell and Mercer.

33     3. Loan Committees: (a) There shall be a loan commit-  
34 tee of such corporation for each of the ten economic  
35 regions as defined in this section. The members of the  
36 board of directors elected from such regions shall serve as  
37 members and chairman of each such loan committee for  
38 their respective regions. Each such loan committee shall  
39 have four additional members who shall be elected by the  
40 members of such corporation from such region and each  
41 of whom shall be of full age and a citizen of the United  
42 States and shall be a resident of such region or maintain  
43 a regular place of business therein.

44     In such elections, members of the corporation from  
45 each such region shall have one vote each, and each  
46 member having a loan limit, as defined by section  
47 seven of this article, of more than fifty thousand dollars,

48 shall have one additional vote. The elected members  
49 of each such loan committee shall be elected at the an-  
50 nual meetings of such corporation and shall serve for  
51 terms of one year.

52 (b) If a vacancy occurs in the elected membership of  
53 any such loan committee, the remaining members of such  
54 committee shall elect a person from its economic region  
55 to fill such vacancy for the unexpired term. Upon the  
56 expiration of their terms the elected members of each such  
57 loan committee shall continue as such until their suc-  
58 cessors have been elected and have qualified.

59 (c) The board of directors of such corporation may  
60 establish an office for any such loan committee, within  
61 such committee's economic region.

62 (d) Every application to such corporation for a loan  
63 or financial assistance shall be made through the loan  
64 committee for the economic region wherein the applicant  
65 resides or maintains a regular place of business, and such  
66 application shall thereupon be reviewed by such loan  
67 committee and promptly transmitted by it to the board of  
68 directors for consideration, along with the recommenda-

69 tion of such loan committee with respect thereto: *Pro-*  
70 *vided, however,* That where there is no member of such  
71 corporation from the economic region wherein the appli-  
72 cant resides or maintains a regular place of business, such  
73 applicant may make his application through the loan com-  
74 mittee for any other economic region.

*Sec. 9. Purchase of Securities and Stock by Other Cor-*  
2 *porations and Financial Institutions.*—Notwithstanding  
3 any other provision of law or any provision in their re-  
4 spective charters or trust indentures, any domestic corpor-  
5 ation, including without implied limitation, any public  
6 utility company or insurance or casualty company; all  
7 foreign corporations licensed to do business in this state;  
8 all trusts or other fiduciaries and any financial institution  
9 as defined in section one of this article are hereby author-  
10 ized and empowered to acquire, purchase, hold, sell, as-  
11 sign, transfer, mortgage, pledge or otherwise dispose of  
12 any bonds, notes, debentures, securities or other evidences  
13 of indebtedness created by, or the shares of the capital  
14 stock of any corporation organized under the provisions  
15 of this article and, while owners of such stock, to exercise



16 all of the rights, powers and privileges of owners, includ-  
17 ing the right to vote said stock, all without the approval  
18 of any regulatory authority of the state; except, however,  
19 that the amount of the capital stock of such corporation  
20 which may be acquired by any member pursuant to the  
21 authority granted herein shall not exceed ten per cent  
22 of the loan limit of such member. A financial institution  
23 which does not become a member of the corporation shall  
24 not be permitted to acquire any shares of the capital stock  
25 of the corporation. The amount of capital stock of such  
26 corporation which any member is authorized to acquire  
27 pursuant to the authority granted herein is in addition to  
28 the amount of capital stock in corporations which such  
29 member may otherwise be authorized to acquire.

Sec. 10. *Creation of Surplus from Annual Net Earnings.*

2 —Each year the corporation shall set apart as earned sur-  
3 plus not less than ten per cent of its net earnings for the  
4 preceding fiscal year until such surplus shall be equal in  
5 value to one-half of the amount paid in on the capital  
6 stock then outstanding. Whenever the amount of surplus  
7 established herein shall become impaired, it shall be built

8 up again to the required amount in the manner provided  
9 for its original accumulation. Net earnings and surplus  
10 shall be determined by the board of directors, after pro-  
11 viding for such reserves as said directors deem desirable,  
12 and the determination of the directors, made in good faith,  
13 shall be conclusive on all persons.

Sec. 11. *Corporation not to Receive Deposits; Designa-*  
2 *tion of Depository Bank.*—No corporation organized under  
3 the provisions hereof shall at any time be authorized to  
4 receive money on deposit. The corporation shall not de-  
5 posit any of its funds in any banking institution unless  
6 such institution has been designated as a depository by a  
7 vote of a majority of the directors present at an authorized  
8 meeting of the board of directors, exclusive of any di-  
9 rector who is an officer or director of the depository so  
10 designated.

Sec. 12. *Examination by and Reports to Banking Com-*  
2 *missioner.*—Every corporation organized under the pro-  
3 visions of this article shall be subject to the examination  
4 and supervision of the commissioner of banking of this  
5 state, and shall make a report annually of its condition in

6 such form and containing such information as the commis-  
7 sioner may require, who shall transmit a copy of such an-  
8 nual report to the insurance commissioner of the state.

Sec. 13. *Exemption from Payment of Business and Occu-  
2 pation Taxes.*—Every corporation organized under the  
3 provisions of this article shall be exempt from payment  
4 or collection of the business and occupation tax as pro-  
5 vided for by chapter eleven, article thirteen of the code  
6 of West Virginia, one thousand nine hundred thirty-one,  
7 as amended, upon the business done by it. Upon certifica-  
8 tion by the corporation to the state tax commissioner that  
9 it is a corporation organized under and pursuant to the  
10 provisions of this article, such corporation shall not be re-  
11 quired to file annual or other returns under the require-  
12 ments of said chapter and article.

Sec. 14. *Amendment of Charter.*—The charter of any  
2 corporation organized under the provisions of this article  
3 may be amended by the vote of the stockholders and the  
4 members of the corporation, voting separately by classes,  
5 and such amendments shall require approval by the  
6 affirmative vote of two-thirds of the votes to which the

7 stockholders shall be entitled and two-thirds of the votes  
8 to which the members shall be entitled, except that no  
9 amendment which affects or limits the right of the com-  
10 missioner of banking to examine the corporation or the  
11 obligation of the corporation to make annual reports to  
12 the commissioner as provided in section twelve shall be  
13 made without amendment of this article; and except, fur-  
14 ther, that no amendment to the charter of the corporation  
15 which increases the obligation of a member to make loans  
16 to the corporation, or makes any change in the principal  
17 amount, maturity date or in the security or credit posi-  
18 tion of any outstanding loan of a member to the corpora-  
19 tion, or affects a member's right to withdraw from mem-  
20 bership, or its voting rights as provided in sections seven  
21 and eight, shall be made without the consent of each mem-  
22 ber affected by such amendment.

23 Within thirty days after any meeting at which amend-  
24 ment of the charter has been adopted, certification thereof  
25 shall be made by the corporation to the secretary of state  
26 in the manner provided for by section twelve, article one

27 of this chapter, whereupon the secretary of state shall  
28 issue his certificate as therein provided for.

Sec. 15. *Applicability of General Corporation Law.*—

2 Every corporation organized under the provisions of this  
3 article shall be governed by the provisions of chapter  
4 thirty-one of the code of West Virginia, one thousand  
5 nine hundred thirty-one, as amended, except in so far as  
6 the provisions of that chapter are in conflict with the pro-  
7 visions of this article, in which case the provisions of this  
8 article shall prevail.

Sec. 16. *Severability of Provisions.*—The provisions of  
2 this article are severable, and if any of its provisions shall  
3 be held unconstitutional by any court of competent juris-  
4 diction, decision of such court with respect thereto shall  
5 not affect or impair any of the remaining provisions  
6 hereof.

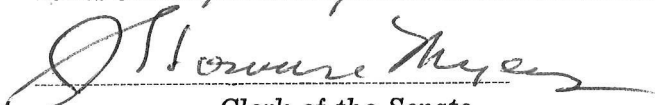
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

  
Chairman Senate Committee

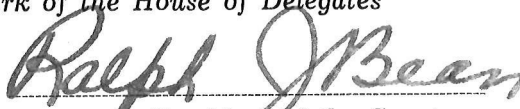
  
Chairman House Committee

Originated in the Senate.

Takes effect 90 days from passage.

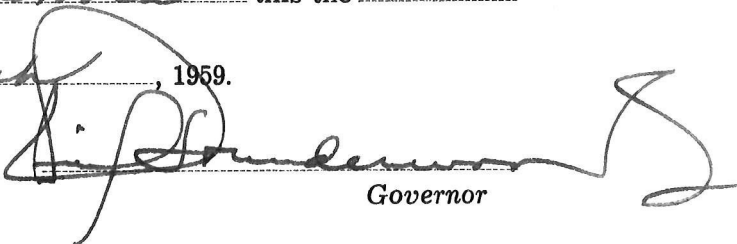
  
Clerk of the Senate

  
Clerk of the House of Delegates

  
President of the Senate

  
Speaker House of Delegates

The within approved this the 17th  
day of March, 1959.

  
Governor

