

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1962



ENROLLED

HOUSE BILL No. 6

(By Mr. Speaker, Mr. Singleton)



PASSED January 26 1962

In Effect From Passage



Filed in Office of the Secretary of State
of West Virginia **FEB 5 1962**

JOE F. BURDETT
SECRETARY OF STATE

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ENROLLED

House Bill No 6

(By MR. SPEAKER, MR. SINGLETON)

[Passed January 26, 1962; in effect from passage.]

AN ACT to amend and reenact section six, article four, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to the powers of banking institutions and in particular authorizing a banking institution organized under said chapter thirty-one to invest up to two per cent of its capital and surplus in the capital stock of small business investment companies licensed under an act of Congress known as the "Small Business Investment Act of 1958", as amended.

Article 4. Banking Institutions.

Be it enacted by the Legislature of West Virginia:

That section six, article four, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

Section 6. Powers of Banking Institutions Defined.—

2 Any banking institution, organized under this chapter,
3 shall have and exercise all of the powers necessary for, or
4 incidental to, the business of banking, and, without lim-
5 iting or restricting such general powers, it shall have the
6 right to buy or discount promissory notes, and bonds, ne-
7 gotiate drafts, bills of exchange and other evidences of
8 indebtedness, borrow money, receive deposits on such
9 terms and conditions as its officers may prescribe, buy and
10 sell exchange, bank notes, bullion or coin, loan money on
11 personal or other security, rent safety deposit boxes, and
12 receive on deposit, for safekeeping, jewelry, plate, stocks,
13 bonds and personal property of whatsoever description.
14 Any banking institution may accept, for payment at a fu-
15 ture date, drafts drawn upon it by its customers, and is-
16 sue letters of credit authorizing the holders thereof to
17 draw drafts upon it or its correspondents, at sight or on
18 time, not exceeding one year.

19 Any banking institution organized under this chapter
20 may hereafter invest in the capital stock of small business
21 investment companies chartered under the laws of this

22 state, which are licensed under the act of Congress known
23 as the "Small Business Investment Act of 1958", as
24 amended: *Provided*, That in no event shall any such bank
25 hold shares in small business investment companies in
26 any amount aggregating more than two per cent of the
27 combined capital and surplus of such banking institution.

28 Any banking institution may acquire, own, hold, use
29 and dispose of, real estate, which shall in no case be car-
30 ried on its books at a value greater than the actual cost,
31 subject to the following limitations and for the following
32 purposes:

33 (a) Such as shall be necessary for the convenient trans-
34 action of its business, including, in the same building with
35 its office or banking room, other offices or apartments to
36 rent as a source of income; such investment hereafter
37 made shall not exceed sixty-five per cent of the amount
38 of its capital stock and surplus, unless the consent in writ-
39 ing of the commissioner of banking is first secured;

40 (b) Such as shall be mortgaged to it in good faith as
41 security for debts in its favor;

42 (c) Such as shall be conveyed to it in satisfaction of

43 debts previously contracted in the course of its business
44 dealings;

45 (d) Such as it shall purchase at sales under judgments,
46 decrees, trust deeds or mortgages in its favor, or shall
47 purchase at private sale, to secure and effectuate the pay-
48 ment of debts due to it;

49 (e) The value at which any real estate is held shall not
50 be increased by the addition thereto of taxes, insurance,
51 interest, ordinary repairs, or other charges which do not
52 materially enhance the value of the property.

53 Any real estate acquired by any banking institution un-
54 der clauses (c) and (d) shall be disposed of by the bank-
55 ing institution at the earliest practicable date; but the
56 officers thereof shall have a reasonable discretion in the
57 matter of the time to dispose of such property in order to
58 save the banking institution from unnecessary losses:
59 *Provided*, That such property shall be disposed of within
60 five years from the time it is acquired by the banking in-
61 stitution unless an extension of time is given in writing
62 by the commissioner of banking.

63 No banking institution organized and authorized to

64 transact business under this chapter shall hereafter in-
65 vest more than twenty per cent of the amount of its cap-
66 ital and surplus in furniture and fixtures, whether the
67 same be installed in a building owned by such banking
68 institution, or in quarters leased by it.

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

Harold Boon, JR

Chairman Senate Committee

Wm. H. Hittman

Chairman House Committee

Originated in the House.

Takes effect *FROM* passage.

Harold Myers

Clerk of the Senate

C. A. Blankenship

Clerk of the House of Delegates

Howell Robinson

President of the Senate

Julius W. Singler, Jr.

Speaker of the House of Delegates

The within *approved* this the *5th*
day of *February* 1962.

W. M. Burton

Governor

