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WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1987



ENROLLED

SENATE BILL NO. 90

(By Senator Tucker)



PASSED February 17, 1987
In Effect from Passage



ENROLLED
Senate Bill No. 90
(BY SENATOR TUCKER)

[Passed February 17, 1987; in effect from passage.]

AN ACT to amend and reenact section thirteen, article four, chapter thirty-one-a of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to removing the one-year limitation on letters of credit issued by state-chartered banking institutions.

Be it enacted by the Legislature of West Virginia:

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

ARTICLE 4. BANKING INSTITUTIONS AND SERVICES GENERALLY.

§31A-4-13. Powers of state banking institutions generally.

1 Any state-chartered banking institution shall have and
2 exercise all of the powers necessary for, or incidental to, the
3 business of banking, and, without limiting or restricting
4 such general powers, it shall have the right to buy or
5 discount promissory notes and bonds, negotiate drafts, bills
6 of exchange and other evidences of indebtedness, borrow
7 money, receive deposits on such terms and conditions as its
8 officers may prescribe, buy and sell exchange, bank notes,
9 bullion or coin, loan money on personal or other security,
10 rent safe-deposit boxes and receive on deposit, for
11 safekeeping, jewelry, plate, stocks, bonds and personal

12 property of whatsoever description and provide customer
13 services incidental to the business of banking, including,
14 but not limited to, the issuance and servicing of and lending
15 money by means of credit cards as letters of credit or
16 otherwise. Any state-chartered banking institution may
17 accept, for payment at a future date, not to exceed one year,
18 drafts drawn upon it by its customers. Any state-chartered
19 banking institution may issue letters of credit, with a
20 specified expiration date or for a definite term, authorizing
21 the holders thereof to draw drafts upon it or its
22 correspondents, at sight or on time. Any such banking
23 institution may organize, acquire, own, operate, dispose of,
24 and otherwise manage wholly owned subsidiary
25 corporations for purposes incident to the banking powers
26 and services authorized by this chapter.

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

31 (a) Such as shall be necessary for the convenient
32 transaction of its business, including in any buildings,
33 office space or other facilities to rent as a source of income;
34 such investment hereafter made shall not exceed sixty-five
35 percent of the amount of its capital stock and surplus,
36 unless the consent in writing of the commissioner of
37 banking is first secured;

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

40 (c) Such as shall be conveyed to it in satisfaction of
41 debts previously contracted in the course of its business
42 dealings;

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

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

51 Any real estate acquired by any such banking institution
52 under subdivisions (c) and (d) shall be disposed of by the
53 banking institution at the earliest practicable date, but the
54 officers thereof shall have a reasonable discretion in the

55 matter of the time to dispose of such property in order to
56 save the banking institution from unnecessary losses.

57 In every case such property shall be disposed of within
58 five years from the time it is acquired by the banking
59 institution, unless an extension of time is given in writing
60 by the commissioner of banking.

61 No such banking institution shall hereafter invest more
62 than twenty percent of the amount of its capital and surplus
63 in furniture and fixtures, whether the same be installed in a
64 building owned by such banking institution, or in quarters
65 leased by it, unless the consent in writing of the
66 commissioner of banking is first secured.

Approved
James M. [unclear]

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

Ben O. Adams

Chairman Senate Committee

Bernard V. Kelly

Chairman House Committee

Originated in the Senate.

In effect from passage.

J. C. Mills

Clerk of the Senate

Donald J. Papp

Clerk of the House of Delegates

Sam Tomlinson

President of the Senate

W. C. C. [Signature]

Speaker House of Delegates

The within *approved* this the *24th*
day of *February*, 1927.

Huba. Pharr

Governor



PRESENTED TO THE

GOVERNOR

Date 2/20/87

Time 9:31 a.m.