WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1988

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ENROLLED

HOUSE BILL No. H.007

(By Mr. Delegates Phillips and Bradley

Passed March 12, 1988

In Effect Ninety Days From Passage
AN ACT to amend article four, chapter thirty-one-a of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new section, designated section eighteen-a, relating to permitting banks to assess a fee for cash swept into short-term investments when acting as a fiduciary.

Be it enacted by the Legislature of West Virginia:

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

ARTICLE 4. BANKING INSTITUTIONS AND SERVICES GENERALLY.

§31A-4-18a. Short-term investments when acting as a fiduciary.

1 (a) Any individual, bank, trust company or other entity engaged in the business of exercising fiduciary powers for compensation and complying with the provisions of this section is deemed to have satisfied its fiduciary obligations and duties with respect to:

6 (1) The investment of fiduciary funds awaiting investment or distribution;

8 (2) The charging of fees in connection therewith; and
(3) The disclosure of policies, procedures and fees in connection therewith.

(b) A fiduciary may invest cash awaiting investment or distribution in short-term trust quality investment vehicles. A bank or trust company serving as a fiduciary may place funds awaiting investment or distribution in deposits of the commercial department of such bank or trust company or in deposits of an affiliate bank: Provided, That the rate of interest paid on such deposits shall be at least equal to the rate paid by such bank or trust company or affiliate bank on deposits of similar terms and amounts.

A fiduciary has complied with this section if cash awaiting investment or distribution in excess of one thousand dollars is invested within ten days of receipt or accumulation thereof.

(c) A fiduciary may charge a reasonable fee for the temporary investment of cash awaiting investment or distribution, which fee may be paid from the income produced.

(d) A fiduciary has complied with its duty to disclose fees and practices in connection with the investment of funds awaiting investment or distribution if the fiduciary's periodic statements set forth the fiduciary's practice and method of computing fees.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Bruce D. Allam
Chairman Senate Committee

Bernard W. Kelly
Chairman House Committee

Originating in the House.

Takes effect ninety days from passage.

Jeff C. MFikes
Clerk of the Senate

Donald J. Ropp
Clerk of the House of Delegates

Tomasky
President of the Senate

Charles E. Miller
Speaker of the House of Delegates

The within bill approved this the 30th day of March, 1988.

Andrew P. Paupe.
Governor
PRESENTED TO THE
GOVERNOR

Date 3/3/188

Time 3:14 p.m.