

# 4007

# WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1988



# ENROLLED

HOUSE BILL No. 4007

(By Mr. Delegates Phillips and  
Bradley)



Passed March 12, 1988

In Effect Ninety Days From Passage

**ENROLLED**  
**H. B. 4007**

(By DELEGATES PHILLIPS and BRADLEY)

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[Passed March 12, 1988; in effect ninety days from passage.]

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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  
2     entity engaged in the business of exercising fiduciary  
3     powers for compensation and complying with the  
4     provisions of this section is deemed to have satisfied its  
5     fiduciary obligations and duties with respect to:
- 6     (1) The investment of fiduciary funds awaiting  
7     investment or distribution;
- 8     (2) The charging of fees in connection therewith; and

9       (3) The disclosure of policies, procedures and fees in  
10 connection therewith.

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

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

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

29       (d) A fiduciary has complied with its duty to disclose  
30 fees and practices in connection with the investment of  
31 funds awaiting investment or distribution if the fidu-  
32 ciary's periodic statements set forth the fiduciary's  
33 practice and method of computing fees.

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

*Bruce O. Williams*  
-----  
Chairman Senate Committee

*Bernard V. Kelly*  
-----  
Chairman House Committee

Originating in the House.

Takes effect ninety days from passage.

*Edell C. Strickland*  
-----  
Clerk of the Senate

*Donald J. Kopp*  
-----  
Clerk of the House of Delegates

*Don Tomblin*  
-----  
President of the Senate

*William M. Egan*  
-----  
Speaker of the House of Delegates

The within *approved* this the *30th*  
*March* day of \_\_\_\_\_, 1988.

*Anna R. Hanson*  
-----  
Governor

PRESENTED TO THE  
GOVERNOR

Date 3/20/88

Time 3:14 p.m.

RECEIVED

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OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE