WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1988

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ENROLLED
Comm. Sub. for
HOUSE BILL No. 4356

(By Mr. D. Phillips & Bradley)

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Passed .................................. March 12, 1988
In Effect ................................ Passage
ENROLLED
COMMITTEE SUBSTITUTE
FOR
H. B. 4356
(By Delegates Phillips and Bradley)

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

AN ACT to amend chapter thirty-one-a of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new article, designated article eight-c, relating to financially-related services by banks and bank holding companies; definitions; limiting investments; authorizing commissioner of banking to promulgate rules.

Be it enacted by the Legislature of West Virginia:

That 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 article, designated article eight-c, to read as follows:

ARTICLE 8C. PROVISION OF FINANCIALLY-RELATED SERVICES BY BANKS AND BANK HOLDING COMPANIES.

§31A-8C-1. Banks and bank holding companies permitted to offer financially-related services.

1 Upon application to the commissioner of banking and 2 approval by the board of banking and financial institutions, any West Virginia state-chartered banking 3 institution or any bank holding company conducting 4 business in this state may, either through equity
§31A-8C-2. Financially-related defined.

The term “financially-related” includes:

(a) All products, services and activities offered or engaged in by national banks or by any West Virginia state or federally chartered thrift institution or credit union; except those excluded by subsection (f) of this section;

(b) Equity investments in real estate development activities, products and services;

(c) Securities underwriting and brokerage activities, products and services; except those excluded by subsection (f) of this section;

(d) Financial consulting activities, products and services;

(e) Any and all other activities, products and services engaged in or offered by other providers of financial products or services which may be deemed by the commissioner of banking to be financially-related; except those excluded by subsections (f) and (g) of this section.

(f) The term “financially-related” excludes products, services or activities offered or engaged in by any insurer or by any underwriter, agent, solicitor or broker of insurance, which products, services or activities are regulated by the department of insurance pursuant to chapter thirty-three of the West Virginia code except for such activities, products and services permitted, engaged in, or offered by a West Virginia state chartered banking institution prior to the effective date of this article.

(g) The term “financially-related” also excludes products, services or activities offered or engaged in by any real estate agent, agency or broker, which products, investments in other entities or through a wholly-owned subsidiary or subsidiaries, or by contract or agreement with others to provide such products or services, engage in any activity, exercise any power or offer any product or service that is financially-related.
services or activities are regulated by the state real
estate commission pursuant to chapter forty-seven of the
West Virginia code except for such activities, products
and services permitted, engaged in or offered by a West
Virginia state chartered banking institution prior to the
effective date of this article or permitted pursuant to
subdivision (b) of this section.

§31A-8C-3. Limitation on permitted investment in entities
offering financially-related services.

No West Virginia state-chartered banking institution
or bank holding company may invest or otherwise
expend in excess of ten percent in the aggregate of the
amount of its capital and surplus, on a consolidated
basis, in the conduct of financially-related activities.

§31A-8C-4. Promulgation of rules.

The commissioner of banking, pursuant to chapter
twenty-nine-a of this code, shall promulgate rules
governing the provision of financially-related products
and services by West Virginia state-chartered banking
institutions and by any bank holding company conduct-
ing business in this state. These rules shall include the
procedures applicable in connection with application to
engage in financially-related activities and offer
financially-related products and services and the
conduct of such activities.

§31A-8C-5. Construction, conflicting provisions.

This article shall be construed liberally to permit
banks and bank holding companies to offer financially-
related products and services. No other provision of this
code shall be deemed to prohibit such activity: Provided,
that in the provision of such products and services,
banks and bank holding companies are subject to the
same state and federal regulation and licensing require-
ments as are other providers of such products and
services.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originating in the House.

Takes effect from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker of the House of Delegates

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

Governor