

4356

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1988



ENROLLED

Com. Sub. for
HOUSE BILL No. 4356

(By MR. Del. Phillips + Bradley)



Passed March 12, 1988

In Effect From 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 institu-
3 tions, any West Virginia state-chartered banking
4 institution or any bank holding company conducting
5 business in this state may, either through equity

6 investment in other entities or through a wholly-owned
7 subsidiary or subsidiaries, or by contract or agreement
8 with others to provide such products or services, engage
9 in any activity, exercise any power or offer any product
10 or service that is financially-related.

§31A-8C-2. Financially-related defined.

1 The term "financially-related" includes:

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

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

9 (c) Securities underwriting and brokerage activities,
10 products and services; except those excluded by subsec-
11 tion (f) of this section;

12 (d) Financial consulting activities, products and
13 services;

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

20 (f) The term "financially-related" excludes products,
21 services or activities offered or engaged in by any
22 insurer or by any underwriter, agent, solicitor or broker
23 of insurance, which products, services or activities are
24 regulated by the department of insurance pursuant to
25 chapter thirty-three of the West Virginia code except for
26 such activities, products and services permitted, en-
27 gaged in, or offered by a West Virginia state chartered
28 banking institution prior to the effective date of this
29 article.

30 (g) The term "financially-related" also excludes
31 products, services or activities offered or engaged in by
32 any real estate agent, agency or broker, which products,

33 services or activities are regulated by the state real
34 estate commission pursuant to chapter forty-seven of the
35 West Virginia code except for such activities, products
36 and services permitted, engaged in or offered by a West
37 Virginia state chartered banking institution prior to the
38 effective date of this article or permitted pursuant to
39 subdivision (b) of this section.

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

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

§31A-8C-4. Promulgation of rules.

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

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

1 This article shall be construed liberally to permit
2 banks and bank holding companies to offer financially-
3 related products and services. No other provision of this
4 code shall be deemed to prohibit such activity: *Provided,*
5 *that in the provision of such products and services,*
6 *banks and bank holding companies are subject to the*
7 *same state and federal regulation and licensing require-*
8 *ments as are other providers of such products and*
9 *services.*

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

Paul O. Williams
.....
Chairman Senate Committee

Bernard V. Kelly
.....
Chairman House Committee

Originating in the House.

Takes effect from passage.

Jedd C. Sticks
.....
Clerk of the Senate

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

Dan Tomlin
.....
President of the Senate

William W. Clift
.....
Speaker of the House of Delegates

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

Arch A. Moore, Jr.
.....
Governor

PRESENTED TO THE
GOVERNOR

Date 3/22/88

Time 3:19 p.m.

RECEIVED

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OFFICE OF NEW VIRGINIA
SECRETARY OF STATE