WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1989

ENROLLED

HOUSE BILL No. 2674

(By Mr. Del Metcalf and Criss)

Passed April 4, 1989
In Effect Ninety Days From Passage
ENROLLED

H. B. 2674

(By Delegates Metheny and Criss)

[Passed April 4, 1989; in effect ninety days from passage.]

AN ACT to amend and reenact section one, article eight-a, chapter thirty-one-a of the code of West Virginia, one thousand nine hundred thirty-one, as amended; and to amend and reenact section four, article eight-b of said chapter, all relating to permitting the acquiring of a state bank by an out-of-state holding company, and to allow the banking commissioner to evaluate and investigate a bank holding company so as to permit the holding company to perform financially related services.

Be it enacted by the Legislature of West Virginia:

That section one, article eight-a, chapter thirty-one-a of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted; and that section four, article eight-b of said chapter be amended and reenacted, all to read as follows:

ARTICLE 8A. ACQUISITION OF BANK SHARES.

§31A-8A-1. Legislative findings and purpose.

1 After a review of the structure of banking organizations in the state of West Virginia and after full consideration of the complex issues involved, the Legislature hereby finds and determines that:

5 (a) Well managed and financially sound banking institutions are essential to the financial well-being of the citizens, and the promotion of the future economic


and industrial growth and development of this state;

(b) The formation of bank holding companies will strengthen and supplement traditional banking services and facilitate the development of the type of banking institutions that are necessary for the economic and industrial growth and development of this state;

(c) It is in the best interests of this state and its citizens for the board to have the power and authority to disapprove the acquisition of a bank by a bank holding company when the board determines that such acquisition would result in a monopoly, substantially lessen competition, or be contrary to the best interests of the shareholders or customers of the bank involved;

and

(d) The deposits of the citizens of this state are a substantial and valuable resource which should serve the economic and industrial growth and development needs, and the consumer needs of the citizens of this state; and since the board could not effectively make a determination that the control of deposits of the citizens of this state by bank holding companies with any banking subsidiaries located outside this state would be used for the above enumerated local needs of this state's citizenry, a bank holding company with any bank subsidiary located outside this state shall be prohibited from acquiring, directly or indirectly, five percent or more of the interest in, or assets of, any bank or bank holding company located in this state, unless acquired pursuant to section seven of this article.

ARTICLE 8B. COMMUNITY REINVESTMENT ACT.

§31A-8B-4. Assessment of the institution’s reinvestment in the community.

In connection with its examination or investigation of a banking institution or bank holding company, the commissioner or board shall:

(a) Assess the institution’s record of meeting the credit needs of its entire community, including low-and moderate-income neighborhoods, consistent with the safe and sound operation of such institution; and
8 (b) Take such record into account in its evaluation of
9 an application for a deposit facility or for permission to
10 engage in financially related services by such institu-
11 tion.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Frederick L. Parker
Chairman Senate Committee

Bernard V. Kelley
Chairman House Committee

Originating in the House.

Takes effect ninety days from passage.

Jocel L. Vills
Clerk of the Senate

Donald L. Yopp
Clerk of the House of Delegates

Larry C. Thomas
President of the Senate

Robert C. Cheek
Speaker of the House of Delegates

The within is approved this the 24th day of April, 1989.

Winston Caperton
Governor
PRESENTED TO THE
GOVERNOR

Date  4/4/89
Time  11:45