WEST VIRGINIA LEGISLATURE
Regular Session, 2003

ENROLLED
Committee Substitute for
SENATE BILL NO. 191

(By Senator Minard, et al.)

PASSED March 8, 2003

In Effect Ninety days from Passage
AN ACT to amend and reenact section three, article ten, chapter thirty-one-c of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to the procedure for a state-chartered credit union to convert to a federal charter or a charter of another state; removing the requirement of having a hearing; and increasing the period of required notice to members prior to voting on the issue of conversion.

Be it enacted by the Legislature of West Virginia:

That section three, article ten, chapter thirty-one-c of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

ARTICLE 10. CHANGE IN CORPORATE STATUS.

§31C-10-3. Conversion.

1 (a) A credit union incorporated under the laws of this state may be converted to a credit union organized under
the laws of any other state or under the laws of the United
States by complying with the following requirements:

(1) The proposition for the conversion shall first be
approved and a date set for a vote thereon by the members
(either at a meeting to be held on such date or by written
ballot to be filed on or before such date) by a majority of
the directors of the West Virginia state credit union.
Written notice of the proposition and of the date set for the
vote shall then be delivered in person to each member, or
mailed to each member at the address for such member
appearing on the records of the credit union, not more
than sixty or less than fourteen days prior to such date.
Approval of the proposition for conversion shall be by the
affirmative vote of two thirds of the members voting in
person or in writing;

(2) A statement of the results of the vote, verified by the
affidavits of the president or vice president and the
secretary, shall be filed with the commissioner of banking
within ten days after the vote is taken; however, no West
Virginia state-chartered credit union may convert its
charter to that of another state unless: (i) The conversion
is approved by the commissioner of banking in writing
after notice; (ii) the other state allows conversions of its
credit unions to a West Virginia state charter on a recipro-
cal basis; and (iii) the majority, or in the event the credit
union operates offices in more than two states, the plural-
ity, of the credit union's members are residents of that
other state. To the extent that an out-of-state credit union
created by conversion seeks to conduct business through a
branch or service facility in West Virginia, the provisions
of section six, article two of this chapter shall apply;

(3) Promptly after the commissioner of banking has
approved the conversion in writing, and in no event later
than ninety days thereafter, the credit union shall take
such action as may be necessary under the applicable
federal or state law to make it a federal credit union or
credit union of another state and within ten days after
receipt of the federal credit union charter or out-of-state
credit union charter there shall be filed with the commis-
sioner of banking a copy of the charter thus issued. Upon
such filing, the credit union shall cease to be a West
Virginia state-chartered credit union;

(4) The successor federal credit union or out-of-state
chartered credit union shall be vested with all the assets
and shall continue to be responsible for all of the obliga-
tions of the West Virginia state credit union to the same
extent as though the conversion had not taken place.

(b) A credit union organized under the laws of the
United States or of any other state may convert to a credit
union incorporated under the laws of this state. To effect
a conversion, a credit union must comply with all the
requirements of the jurisdiction under which it was
originally organized and the requirements of the laws and
rules of this state and file proof of compliance with the
commissioner. The commissioner shall generally treat the
conversion to a West Virginia state-chartered credit union
as a formation of a new credit union pursuant to article
two of this chapter and the procedures and requirements
therein shall be followed to the extent applicable.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Greg Butcher
Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within is approved this the 1st Day of April 2003.

Governor