

SB 183
(veto)

FILED

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OFFICE WEST VIRGINIA
SECRETARY OF STATE

WEST VIRGINIA LEGISLATURE
SEVENTY-EIGHTH LEGISLATURE
REGULAR SESSION, 2007

ENROLLED

Senate Bill No. 183

(By SENATORS MINARD, BARNES AND KESSLER)

[Passed March 5, 2007; in effect ninety days from passage.]

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Senate Bill No. 183

(BY SENATORS MINARD, BARNES AND KESSLER)

[Passed March 5, 2007; in effect ninety days from passage.]

AN ACT to amend and reenact §31A-8A-2 and §31A-8A-3 of the Code of West Virginia, 1931, as amended, all relating to providing that the Board of Banking and Financial Institutions has the authority to approve acquisitions of out-of-state banks and bank holding companies by West Virginia state banks or bank holding companies.

Be it enacted by the Legislature of West Virginia:

That §31A-8A-2 and §31A-8A-3 of the Code of West Virginia, 1931, as amended, be amended and reenacted, all to read as follows:

ARTICLE 8A. ACQUISITION OF BANKS BY BANK HOLDING COMPANIES.**§31A-8A-2. Scope and statement of legislative intent.**

1 This article sets forth the conditions under which a
2 company may acquire a West Virginia state bank, may
3 form or acquire a West Virginia bank holding company
4 or may acquire an out-of-state bank or out-of-state
5 bank holding company. This article is intended not to
6 discriminate against out-of-state bank holding
7 companies or against foreign bank holding companies in
8 any manner that would violate Section 3(d) of the Bank
9 Holding Company Act, 12 U. S. C. §1842(d), as
10 amended, effective the twenty-ninth day of September,
11 one thousand nine hundred ninety-five, by Section 101
12 of the Riegle-Neal Interstate Banking and Branching
13 Efficiency Act of 1994, Public Law No. 103-328.

§31A-8A-3. Permitted acquisitions.

1 (a) Except as otherwise expressly permitted by federal
2 law, a company may not form a West Virginia bank
3 holding company or acquire a West Virginia state bank
4 or a bank holding company controlling a West Virginia
5 state bank without the prior application and approval
6 upon order of the board. A West Virginia state bank or
7 West Virginia state bank holding company which
8 controls, directly or indirectly, a West Virginia state
9 bank may not acquire an out-of-state bank or out-of-
10 state bank holding company without first filing with the
11 commissioner a copy of the application it files with the
12 appropriate federal regulator unless the acquisition
13 involves a merger and establishment of branches
14 pursuant to article eight-d of this chapter.

15 (b) The prohibition in subsection (a) of this section
16 shall not apply where the acquisition is made:

17 (1) Solely for the purpose of facilitating an acquisition
18 otherwise permitted under this article;

19 (2) In a transaction arranged by the commissioner
20 with the consent of the West Virginia Board of Banking
21 and Financial Institutions with another state or federal
22 bank supervisory agency to prevent the insolvency or
23 closing of the acquired bank; or

24 (3) In a transaction in which a national bank or out-
25 of-state state bank forms its own bank holding
26 company, if the ownership rights of the former bank
27 shareholders are substantially similar to those of the
28 shareholders of the new bank holding company.

29 (c) In any transaction involving the acquisition or
30 change in control of a West Virginia bank, West Virginia
31 bank holding company, bank branch located in West
32 Virginia by a bank holding company, the formation of a
33 West Virginia bank holding company or the acquisition
34 of a thrift institution in West Virginia by a bank holding
35 company for which an application to the board for
36 approval is not initially required under subsection (a) of
37 this section, the party seeking the action shall give
38 written notice to the commissioner at the time the
39 application or notice is filed with the responsible federal
40 bank supervisory agency and at least forty-five days
41 before the effective date of the acquisition, unless a
42 shorter period of notice is required under applicable
43 federal law. In addition, the parties shall give the
44 commissioner copies of all final federal and state
45 applications filed in connection with the transaction

46 together with a two hundred fifty-dollar filing fee.
47 Unless preempted by federal law, the commissioner has
48 thirty days from receipt of the written notice to object
49 to any proposed transaction, require an application and
50 request a hearing before the board on the basis that the
51 transaction is contrary to applicable West Virginia law.
52 The failure to object within thirty days shall be
53 construed as consent by the commissioner or, in his or
54 her discretion, the commissioner may, at any time,
55 consent in writing.

56 (d) To the extent that any acquisition under this
57 section involves the merger of a bank with and into a
58 West Virginia state bank, the merger transaction
59 remains subject to the jurisdiction and approval of the
60 board pursuant to section seven, article seven of this
61 chapter or article eight-d of this chapter, as applicable.

62 (e) An acquisition shall not be permitted under this
63 article or otherwise if upon consummation of the
64 transaction, the resulting bank or bank holding
65 company, including any depository institutions
66 affiliated with the applicant, would assume sufficient
67 additional deposits to cause it to control deposits in this
68 state in excess of that allowed by section twelve-a,
69 article two of this chapter: *Provided*, That the
70 commissioner may by rule adopt a procedure whereby
71 the acquisition deposit limitation as set forth in this
72 code may be waived for good cause shown. The
73 commissioner shall calculate the acquisition deposit
74 limitation based upon the most recently available
75 reports containing the deposit information filed with
76 state or federal authorities.

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

[Signature]
.....
Chairman Senate Committee

[Signature]
.....
Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

[Signature]
.....
Clerk of the Senate

[Signature]
.....
Clerk of the House of Delegates

[Signature]
.....
President of the Senate

[Signature]
.....
Speaker House of Delegates

The within *is disapproved* this
the *4th* Day of *April*, 2007.

[Signature]
.....
Governor

PRESENTED TO THE
GOVERNOR

MAR 20 2007

Time 3:30 pm