

HB 2923

FILED

2013 APR 23 AM 10:05

WEST VIRGINIA  
SEC. OF STATE

**WEST VIRGINIA LEGISLATURE**  
FIRST REGULAR SESSION, 2013



**ENROLLED**

COMMITTEE SUBSTITUTE  
FOR

**House Bill No. 2923**

(By Delegate(s) More, Hartman, E. Nelson,  
Ferns and Ashley)



Passed April 9, 2013

In effect ninety days from passage.

FILED

2013 APR 23 AM 10: 06

**ENROLLED**

WEST VIRGINIA  
SECRETARY OF STATE

COMMITTEE SUBSTITUTE

FOR

**H. B. 2923**

---

(BY DELEGATE(S) MOORE, HARTMAN, E. NELSON,  
FERNS AND ASHLEY)

---

[Passed April 9, 2013; in effect ninety days from passage.]

---

AN ACT to amend and reenact §31A-4-8 of the Code of West Virginia, 1931, as amended, relating to directors of state-chartered banking institutions; and eliminating the residency requirement for a majority of the directors of a state-chartered banking institution.

*Be it enacted by the Legislature of West Virginia:*

That §31A-4-8 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

**ARTICLE 4. BANKING INSTITUTIONS AND SERVICES GENERALLY.**

**§31A-4-8. Directors, their qualifications and oaths.**

- 1 For every state-chartered banking institution there shall be
- 2 a board of not less than five nor more than twenty-five directors,

3 who shall meet at least once each month and who shall have  
4 power to do, or cause to be done, all things that are proper to be  
5 done by the banking institution; and a majority of whom shall at  
6 all times be United States citizens: *Provided*, That the  
7 Commissioner of Banking, upon application from banking  
8 institutions with deposits greater than \$500 million, may issue a  
9 waiver from the minimum number of meeting requirements  
10 established by this section and allow no fewer than four  
11 quarterly meetings for such institutions: *Provided, however*, That  
12 at least four of the board of directors meetings of any state-  
13 chartered banking institution shall be held within the State of  
14 West Virginia. Every such director shall own capital stock in the  
15 banking institution of which he or she is a director in the  
16 aggregate par value of not less than \$500: *Provided*, That if a  
17 bank holding company has control of that banking institution,  
18 shares owned by a director of the subsidiary bank in the  
19 controlling bank holding company will satisfy the requirements  
20 of this section: *Provided, however*, That the director owns, in his  
21 or her own right, common or preferred stock of the controlling  
22 bank holding company in an amount equal to or greater than any  
23 one of the following: (i) Aggregate par value of \$500; (ii)  
24 aggregate shareholders' equity of \$500; or (iii) aggregate fair  
25 market value of \$500. Determination of the fair market value of  
26 the controlling bank holding company's stock shall be based  
27 upon the value of that stock on the date it was purchased or on  
28 the date the person became a director, whichever is greater. If a  
29 bank holding company controls more than one bank subsidiary,  
30 a director owning at least \$500 of the shares of a bank holding  
31 company is qualified, if otherwise permitted by applicable law,  
32 to serve as a director of every bank subsidiary controlled by that  
33 bank holding company. Before entering on the discharge of his  
34 or her duties as such director, he or she shall take an oath that he  
35 or she will, so far as the duty devolves upon him or her,  
36 diligently and honestly administer the affairs of the banking  
37 institution, and that he or she will not knowingly or willingly  
38 permit to be violated any of the provisions of the laws of this

*de  
Seymour & Son  
C. L. de J. de  
4/22/18*

39 state relative to banking and banking institutions, and that the  
40 stock standing in his or her name upon the books of the banking  
41 institution is not hypothecated or pledged in any way as security  
42 for loans obtained from or debts owing to the banking institution  
43 of which he or she is a director, and that the number of shares  
44 necessary to qualify a stockholder to be a director are not now,  
45 and shall not at any time while he or she serves as a director be  
46 pledged or hypothecated in any manner for any debt or  
47 obligation of the director, or any other person; which oath  
48 subscribed by him or her and certified by the officer before  
49 whom it was taken shall be filed and preserved in the office of  
50 the Commissioner of Banking. Should a director fail to subscribe  
51 to or renew the oath herein provided within sixty days after  
52 notice of his or her election or reelection, or at any time after  
53 qualifying as such, sell or dispose of, or in any manner  
54 hypothecate or pledge as security for a debt or obligation, such  
55 qualifying shares, or any number thereof, necessary for his or her  
56 qualification, thereupon the remaining directors shall elect  
57 another director in his or her stead. No person shall serve as a  
58 director of any banking institution who has evidenced personal  
59 dishonesty and unfitness to serve as such director by his or her  
60 conduct or practice with another financial institution which  
61 resulted in a substantial financial loss or damage thereto or who  
62 has been convicted of any crime involving personal dishonesty.

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

*Danny Wells*  
Chairman, House Committee

*[Signature]*  
Chairman, Senate Committee

Originating in the House.

In effect ninety days from passage.

*Bryce D. Seal*  
Clerk of the House of Delegates

*Joseph M. Mansueti*  
Clerk of the Senate

*[Signature]*  
Speaker of the House of Delegates

*[Signature]*  
President of the Senate

The within *is approved* this the *22nd*  
day of *April*, 2013.

*Carl Ray Foraker*  
Governor

2013 APR 23 AM 10:06  
SECRETARY OF STATE

FILED

PRESENTED TO THE GOVERNOR

APR 17 2013

Time 11:24 am