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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**

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OFFICE OF THE CLERK
SENATE OF WEST VIRGINIA

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COMMITTEE SUBSTITUTE

FOR

Senate Bill No. 191

(SENATORS MINARD, SHARPE AND JENKINS, *original sponsors*)

[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
- 2 state may be converted to a credit union organized under

3 the laws of any other state or under the laws of the United
4 States by complying with the following requirements:

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

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

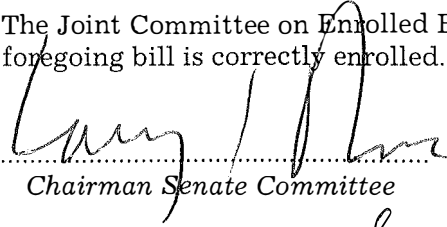
34 (3) Promptly after the commissioner of banking has
35 approved the conversion in writing, and in no event later
36 than ninety days thereafter, the credit union shall take
37 such action as may be necessary under the applicable
38 federal or state law to make it a federal credit union or
39 credit union of another state and within ten days after

40 receipt of the federal credit union charter or out-of-state
41 credit union charter there shall be filed with the commis-
42 sioner of banking a copy of the charter thus issued. Upon
43 such filing, the credit union shall cease to be a West
44 Virginia state-chartered credit union;

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

50 (b) A credit union organized under the laws of the
51 United States or of any other state may convert to a credit
52 union incorporated under the laws of this state. To effect
53 a conversion, a credit union must comply with all the
54 requirements of the jurisdiction under which it was
55 originally organized and the requirements of the laws and
56 rules of this state and file proof of compliance with the
57 commissioner. The commissioner shall generally treat the
58 conversion to a West Virginia state-chartered credit union
59 as a formation of a new credit union pursuant to article
60 two of this chapter and the procedures and requirements
61 therein shall be followed to the extent applicable.

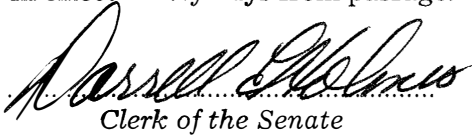
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.


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Chairman Senate Committee

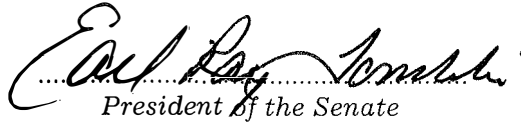

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Chairman House Committee

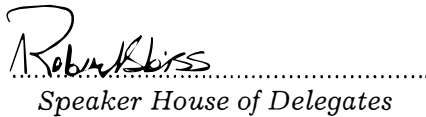
Originated in the Senate.

In effect ninety days from passage.

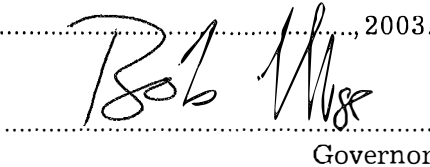

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Clerk of the Senate


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Clerk of the House of Delegates


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President of the Senate


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Speaker House of Delegates

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


.....
Governor

PRESENTED TO THE
GOVERNOR

Date 3-19-03
Time 4:30pm BW