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OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

# WEST VIRGINIA LEGISLATURE

FIRST REGULAR SESSION, 1993



# ENROLLED

*Carr. Sub. for*

HOUSE BILL No. 2595

(By Delegates *Wilbans and Cooper* )



Passed *April 6* 1993

In Effect *from* Passage



**ENROLLED**  
COMMITTEE SUBSTITUTE  
FOR  
**H. B. 2595**  
(By DELEGATES WILLIAMS AND CARPER)

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[Passed April 6, 1993: in effect from passage.]

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AN ACT to amend and reenact section thirteen, article four, chapter thirty-one-a of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to the powers of state banking institutions generally; the authorization to own real property; and determining how certain real estate is to be valued.

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

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

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

**§31A-4-13. Powers of state banking institutions  
generally.**

1       (a) Any state-chartered banking institution shall have  
2       and exercise all of the powers necessary for, or incid-  
3       ental to, the business of banking, and without limiting  
4       or restricting such general powers, it shall have the  
5       right to buy or discount promissory notes and bonds,  
6       negotiate drafts, bills of exchange and other evidences  
7       of indebtedness, borrow money, receive deposits on such  
8       terms and conditions as its officers may prescribe, buy

9 and sell, exchange, bank notes, bullion or coin, loan  
10 money on personal or other security, rent safe-deposit  
11 boxes and receive on deposit, for safekeeping, jewelry,  
12 plate, stocks, bonds and personal property of whatsoever  
13 description and provide customer services incidental to  
14 the business of banking, including, but not limited to,  
15 the issuance and servicing of and lending money by  
16 means of credit cards as letters of credit or otherwise.  
17 Any state-chartered banking institution may accept, for  
18 payment at a future date, not to exceed one year, drafts  
19 drawn upon it by its customers. Any state-chartered  
20 banking institution may issue letters of credit, with a  
21 specified expiration date or for a definite term, autho-  
22 rizing the holders thereof to draw drafts upon it or its  
23 correspondents, at sight or on time. Any such banking  
24 institution may organize, acquire, own, operate, dispose  
25 of, and otherwise manage wholly owned subsidiary  
26 corporations for purposes incident to the banking  
27 powers and services authorized by this chapter.

28 (b) Any state-chartered banking institution may  
29 acquire, own, hold, use and dispose of real estate, which  
30 shall in no case be carried on its books at a value greater  
31 than the actual cost: *Provided*, That such property shall  
32 be necessary for the convenient transaction of its  
33 business, including any buildings, office space or other  
34 facilities to rent as a source of income: *Provided*,  
35 *however*, That such investment hereafter made shall not  
36 exceed sixty-five percent of the amount of its capital  
37 stock and surplus, unless the consent in writing of the  
38 commissioner of banking is first secured.

39 (c) Any state-chartered banking institution may  
40 acquire, own, hold, use and dispose of real estate, which  
41 shall be carried on its books at the lower of fair value  
42 or cost as defined in rules promulgated by the commis-  
43 sioner of banking, subject to the following limitations:

44 (1) Such as shall be mortgaged to it in good faith as  
45 security for debts in its favor;

46 (2) Such as shall be conveyed to it in satisfaction of  
47 debts previously contracted in the course of its business  
48 dealings; and

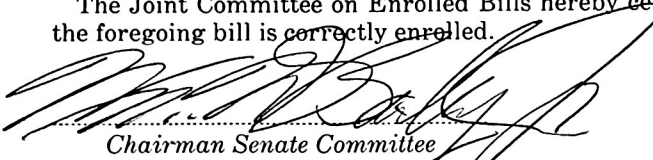
49 (3) Such as it shall purchase at sales under judg-  
50 ments, decrees, trust deeds or mortgages in its favor, or  
51 shall purchase at private sale, to secure and effectuate  
52 the payment of debts due to it.

53 (d) The value at which any real estate is held shall not  
54 be increased by the addition thereto of taxes, insurance,  
55 interest, ordinary repairs, or other charges which do not  
56 materially enhance the value of the property.

57 (e) Any real estate acquired by any such banking  
58 institution under subdivisions two and three of subsec-  
59 tion (c) of this section shall be disposed of by the banking  
60 institution at the earliest practicable date, but the  
61 officers thereof shall have a reasonable discretion in the  
62 matter of the time to dispose of such property in order  
63 to save the banking institution from unnecessary losses:  
64 *Provided*, That in every case such property shall be  
65 disposed of within ten years from the time it is acquired  
66 by the banking institution, unless an extension of time  
67 is given in writing by the commissioner of banking.

68 (f) No state-chartered banking institution shall  
69 hereafter invest more than twenty percent of the amount  
70 of its capital and surplus in furniture and fixtures,  
71 whether the same be installed in a building owned by  
72 such banking institution, or in quarters leased by it,  
73 unless the consent in writing of the commissioner of  
74 banking is first secured.

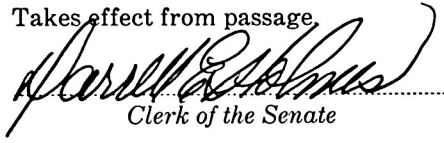
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

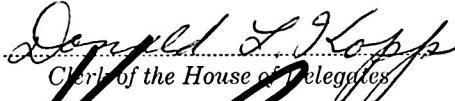
  
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Chairman Senate Committee

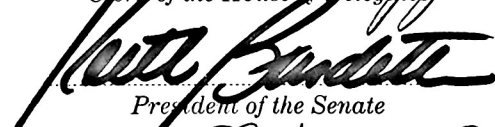
  
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Chairman House Committee

Originating in the House.

Takes effect from passage.

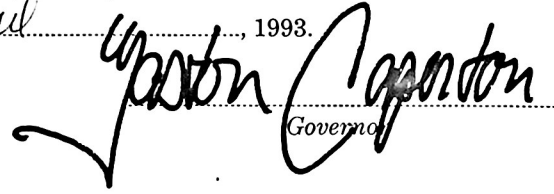
  
.....  
Clerk of the Senate

  
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Clerk of the House of Delegates

  
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President of the Senate

  
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Speaker of the House of Delegates

The within is approved this the 13<sup>th</sup>  
day of April, 1993.

  
.....  
Governor

PRESENTED TO THE

GOVERNOR

Date 4/9/93

Time 4:01 pm