

# **WEST VIRGINIA LEGISLATURE**

## **2023 REGULAR SESSION**

**Introduced**

### **House Bill 3460**

By Delegates Hott, Barnhart, and Westfall

[Introduced February 14, 2023; Referred to the  
Committee on the Judiciary]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,  
2 designated §31A-4-46, relating to the merger of intrastate banks.

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

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

**§31A-4-46. Merger of Intrastate Banks.**

1 (a) A bank chartered by the State of West Virginia, and doing business only within this  
2 state, may, with the approval of the commissioner, enter into a business combination with another  
3 bank, savings bank, savings and loan association or other entity, chartered by the State of West  
4 Virginia, and doing business only within this state, on such terms and conditions, as may be  
5 lawfully agreed upon, adopted and approved in a plan of merger or share exchange in accordance  
6 with the applicable provisions of this code and applicable rules: *Provided*, That the survivor is a  
7 financial institution insured by the Federal Deposit Insurance Corporation.

8 (b) A bank chartered by the State of West Virginia, and doing business only within this state  
9 may, with the approval of the commissioner, sell or transfer all, or substantially all, of its assets,  
10 liabilities, and businesses only to another bank, savings bank, savings and loan association or  
11 other entity, chartered by the State of West Virginia, and doing business only within this state in a  
12 transaction agreed upon, adopted and approved in accordance with the applicable provisions of  
13 this code and applicable rules, and provided that the buyer or transferee is a financial institution  
14 insured by the Federal Deposit Insurance Corporation.

15 (c) Following receipt of the required corporate approvals and approval of the plan of  
16 merger or share exchange plan by the commissioner, the resulting amendments to charters of the  
17 survivor shall be approved and filed with other state officials in accordance with the applicable  
18 provisions of this code and applicable rules. The capital stock of the survivor shall not be less than  
19 that required under applicable law for the survivor, and all the rights, franchises, and interests of  
20 the institutions so consolidated in and to every species of property, personal and mixed, and  
21 choses in action thereto belonging, shall be deemed to be transferred to and vested in such

22 survivor without any deed or other transfer, and the said survivor shall hold and enjoy the same  
23 and all rights of property, franchises, and interests in the same manner and to the same extent as  
24 were held and enjoyed by the institutions so combined.

25 (d) Notwithstanding any provision of law to the contrary, if any bank, savings and loan  
26 association, or savings bank chartered by the State of West Virginia has or proposes to engage in  
27 a business combination or sale or transfer of substantially all assets that is not authorized under  
28 this section, or under the provisions of §31D-8-1 et seq., of this code the commissioner shall  
29 enforce the provisions of this section by issuing a cease-and-desist order.

30 (e) The bank, savings and loan association, or savings bank may appeal such order in any  
31 circuit court of this state. Said appeal must be filed within 30 days from the date the order was  
32 issued.

NOTE: The purpose of this bill is to establish the process for merging intrastate banks.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.