

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Introduced

House Bill 2963

By Delegates Criss, Barnhart, and Hott

[Introduced ; referred
to the Committee on]

1 A BILL to amend the Code of West Virginia, 1931, by adding a new section, designated §31A-1-7,
 2 relating to acquisition, formation, or control in banking; clarifying that when a West Virginia
 3 state chartered bank sells or transfers all of substantially all of its assets and liabilities to
 4 another entity, that such buyer or transferee must be insured by the Federal Deposit
 5 Insurance Corporation; providing the right to seek equitable relief to the Commissioner of
 6 the Board of Banking and Financial Institutions and to interested parties to prevent
 7 prohibited transactions by unqualified buyers; clarifying that the prohibition on the
 8 acquisition or transfer of a West Virginia state chartered bank by buyers or transferors that
 9 are not insured by the Federal Deposit Insurance Corporation does not apply to any
 10 agreement that was originally executed prior to the date of enactment of this section, or to
 11 any subsequent amendment or modification to any such agreement; and creating civil
 12 penalties.

Be it enacted by the Legislature of West Virginia:

ARTICLE 1. GENERAL PROVISIONS AND DEFINITIONS.

§31A-1-7. Acquisition, formation, or control.

1 (a) A bank chartered by this state may sell or transfer all, or substantially all, of its assets
 2 and liabilities by merger, reorganization, purchase, and assumption or any similar business
 3 combination to another bank, banking institution, or entity: *Provided*, That the buyer or transferee
 4 is insured by the Federal Deposit Insurance Corporation. The provisions of subsection (a) of this
 5 section do not apply to a transaction arising out of an agreement that was originally executed prior
 6 to the date of enactment of this section, or to any subsequent amendment or modification to such
 7 agreement. Nothing in subsection (a) of this section shall amend or alleviate the authority of the
 8 Board or the Commissioner under §31A-8A-1 *et seq.*, §31A-8D-1 *et seq.*, and §31A-8E-1 *et seq.*
 9 of this code.

10 (b) If a person has engaged or proposes to engage in a transaction that is prohibited under
 11 subsection (a) of this section, then the commissioner must apply, and any other interested person,

12 which includes, but is not limited to, a bank in this state or bank holding company in this state, may
13 apply for equitable relief, including, but not limited to, a permanent or temporary injunction or
14 restraining order, in:

15 (1) The Circuit Court of Kanawha County, West Virginia;

16 (2) The circuit court of the county in which the interested party resides or does business; or

17 (3) Any court of the United States having jurisdiction.

NOTE: The purpose of this bill is to ensure that the survivor of a merger, reorganization, purchase, or assumption of liabilities of a bank chartered by West Virginia is insured by the Federal Deposit Insurance Corporation.

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