

VIRGINIA ACTS OF ASSEMBLY -- 1996 SESSION

CHAPTER 25

An Act to amend and reenact § 6.1-47 of the Code of Virginia, relating to banking and finance; bank director stock ownership.

[S 199]

Approved March 4, 1996

Be it enacted by the General Assembly of Virginia:

1. That § 6.1-47 of the Code of Virginia is amended and reenacted as follows:

§ 6.1-47. Directors must be stockholders.

Every director of a bank incorporated under the laws of this Commonwealth shall be the owner in his sole name and have in his personal possession or control shares of stock in such bank having a book value of not less than \$5,000, calculated as of the last business day of the calendar year immediately preceding the election ~~or re-election~~ of the director. *So long as a director shall successively be reelected, there shall be no requirement to increase the shares of stock owned according to this section.* Such stock must be unpledged and unencumbered at the time such director becomes a director and during the whole of his term as such.

When a bank is controlled by a bank holding company, a director may comply with the provisions of this section for each bank of which he is a director by ownership, in similar manner, of shares of capital stock of the bank holding company having an aggregate book value equal to the book value of shares of bank stock that he would be obligated to own under the preceding provisions of this section.

For the purposes of this section the term "bank holding company" shall mean (i) a bank holding company as defined in § 6.1-4 or (ii) any corporation organized under the laws of this Commonwealth and doing business in this Commonwealth which owns all of the capital stock of one bank except those shares issued as directors' qualifying shares, where at least sixty-six and two-thirds percent of the assets of the holding company, computed on a consolidated basis, consists of assets held by such bank and controlled subsidiaries of such bank.

Any director violating the provisions of this section shall, immediately, vacate his office. The requirements of this section shall not apply to any person duly elected a director of a bank prior to July 1, 1995, or so long as such person shall successively be reelected a director, and as to such person the requirements of the law prior to such date shall apply.