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HOUSE BILL NO. 1657

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A BILL to amend and reenact §§ 6.1-44.2 and 6.1-44.8 of the Code of Virginia and to repeal §§ 6.1-232.2 and 6.1-232.3 of the Code of Virginia, relating to the activities of banking institutions.

Patron—Kilgore

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:**1. That §§ 6.1-44.2 and 6.1-44.8 of the Code of Virginia are amended and reenacted as follows:****§ 6.1-44.2. Definitions.**

As used in this article, unless a different meaning is required by the context, the following words and phrases shall have the following meanings:

"Acquisition of a branch" means the acquisition of a branch located in a host state, without acquiring the bank of such branch.

"Affiliate" has the same meaning ascribed to it in 12 U.S.C. § 1841 (k) of the Bank Holding Company Act of 1956, 12 U.S.C. § 1841 et seq., as amended.

"Bank" ~~shall have~~ has the same meaning set forth ascribed to it in 12 U.S.C. § 1813 (h) (a) (1) of the Federal Deposit Insurance Company Act of 1956, 12 U.S.C. § 1811 et seq., as amended.

"Bank holding company" has the same meaning ascribed to it in 12 U.S.C. § 1841 (a) of the Bank Holding Company Act of 1956, 12 U.S.C. § 1841 et seq., as amended.

"Commercial activities" means activities in which a bank holding company, a financial holding company, a national bank, or a national bank financial subsidiary may not engage under federal law.

"De novo branch" means a branch of a bank located in a host state which (i) is originally established by the bank as a branch and (ii) does not become a branch of the bank as a result of the acquisition of another bank or a branch of another bank, or the merger, consolidation, or conversion of any such bank or branch.

"Financial holding company" has the same meaning ascribed to it in 12 U.S.C. § 1841 (p) of the Bank Holding Company Act of 1956, 12 U.S.C. § 1841 et seq., as amended.

"Home state" means:

1. With respect to a national bank, the state in which the main office of the bank is located;
2. With respect to a state bank, the state by which the bank is chartered;
3. With respect to a foreign bank, the state determined to be the home state of such foreign bank under 12 U.S.C. § 3103 (c).

"Host state" means a state, other than the home state of a bank, in which the bank maintains, or seeks to establish and maintain, a branch.

"Out-of-state bank" means a bank whose home state is a state other than Virginia.

"Out-of-state state bank" means a bank chartered under the laws of any state other than Virginia.

"State" means any state of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the Northern Mariana Islands.

"Virginia state bank" means a bank chartered under the laws of Virginia.

§ 6.1-44.8. Powers.

An out-of-state state bank which establishes and maintains one or more branches in Virginia under this article may conduct the same activities at such branch or branches that are authorized under Virginia law for Virginia state banks, except to the extent such activities may be prohibited by other laws, regulations, or orders applicable to the out-of-state state bank.

A Virginia state bank may conduct the same activities at a branch outside Virginia that are permissible for a bank chartered by the host state where the branch is located, except to the extent such activities are expressly prohibited by other laws, regulations, or orders applicable to the Virginia state bank.

A bank shall not establish or maintain a branch in Virginia on the premises or property of an affiliate if the affiliate engages in commercial activities.

2. That §§ 6.1-232.2 and 6.1-232.3 of the Code of Virginia are repealed.**3. That an emergency exists and this act is in force from its passage.**

INTRODUCED

HB1657