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HOUSE BILL NO. 1992

Offered January 12, 2011

Prefiled January 11, 2011

A BILL to amend and reenact § 6.2-817 of the Code of Virginia, relating to the capital stock of banks.

Patrons—Janis; Senator: Reynolds

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That § 6.2-817 of the Code of Virginia is amended and reenacted as follows:

§ 6.2-817. Capital stock subscriptions.

A. Subscriptions to the capital stock of a bank shall be paid in money at not less than par. No bank shall begin business until the amounts specified in its certificate of authority to commence business have been received by the bank.

B. All money received for subscriptions to or for purchases of stock of a bank before it opens for business shall be deposited in an escrow account in an insured financial institution or invested in United States government obligations, under the joint control of two organizing directors of the bank, both of whom shall be bonded for an amount equal to the total amount of the money to be collected. Such funds, together with any income thereon, shall be remitted to the bank on the day it opens for business. If the bank is denied a certificate of authority or is refused insurance of accounts, or it otherwise is determined that the bank will not open for business, such funds, after payment of any amount owing for expenses in connection with such attempted organization, including reasonable consulting fees, attorney fees, salaries, filing fees, and other expenses, shall be refunded to subscribers or shareholders.

C. The requirement that capital stock be paid in money shall not be construed to prohibit the establishment, as otherwise authorized by law, of stock option plans ~~and~~, stock purchase plans, *and restricted stock award plans*, and the issuance of stock pursuant to such plans. Such plans shall be established only after the bank has opened for business, and shall be approved by a majority vote of the bank's shareholders. In no event shall any stock option be granted at a price which is less than 100 percent of the ~~book~~ *fair market* value per share of the stock as shown by the bank's last published statement prior to the granting of the option.

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