
SENATE BILL 6281

State of Washington

52nd Legislature

1992 Regular Session

By Senators Niemi, Pelz and Talmadge

Read first time 01/23/92. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to bank concentration levels; adding a new section
2 to chapter 19.86 RCW; creating a new section; and declaring an
3 emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
6 retain a competitive financial base within the banking industry in
7 Washington state. It is also the intent of the legislature to protect
8 the best interests of the people and businesses in Washington by
9 retaining competitive banking services throughout the state.

10 NEW SECTION. **Sec. 2.** A new section is added to chapter 19.86 RCW
11 to read as follows:

12 (1) Notwithstanding the provisions of RCW 19.86.170 and 19.86.920,
13 an acquisition of a financial institution within the state by a bank

1 holding company or other entity shall be presumed to substantially
2 lessen competition for purposes of RCW 19.86.060 if such acquisition
3 would: (a) Give the acquiring entity control over thirty percent or
4 more of the commercial deposits within the state; (b) in any county
5 increase the Herfindahl Hirshmann Index by more than one hundred points
6 and the post-acquisition Herfindahl Hirshmann Index is between one
7 thousand and one thousand eight hundred points; or (c) in any county
8 increase the Herfindahl Hirshmann Index by more than fifty points and
9 the post-acquisition Herfindahl Hirshmann Index is one thousand eight
10 hundred points or more.

11 (2) For purposes of this section, financial institution means a
12 bank, trust company, mutual savings bank, savings and loan association,
13 or credit union authorized to do business and accept deposits under
14 state or federal law.

15 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
16 preservation of the public peace, health, or safety, or support of the
17 state government and its existing public institutions, and shall take
18 effect immediately.