

SENATE BILL REPORT

SB 6007

As Passed Senate, March 13, 1997

Title: An act relating to the limitation on the operating expenses of mutual savings banks.

Brief Description: Eliminating the operating expenses limitation on mutual savings banks.

Sponsors: Senators Winsley and Finkbeiner.

Brief History:

Committee Activity: Financial Institutions, Insurance & Housing: 3/4/97 [DP].
Passed Senate, 3/13/97, 49-0.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, INSURANCE & HOUSING

Majority Report: Do pass.

Signed by Senators Winsley, Chair; Benton, Vice Chair; Finkbeiner, Heavey and Prentice.

Staff: Dave Cheal (786-7576)

Background: Mutual savings banks are limited by law to spending no more than 3 percent of average assets in any calendar year on operation and management expenses. The limitation for smaller mutual savings banks, with under \$500 million in deposits, is 6 percent of average assets.

Summary of Bill: The statutory limitation is repealed.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The limitation does not provide a useful or meaningful guideline. Banks could spend below this amount and still be unsound. Other depository institutions do not have this limitation, with the exception of credit unions, and a bill is making its way through the Legislature to repeal that limitation.

Testimony Against: None.

Testified: Lyle Jacobsen, Washington Savings League (pro).