
HOUSE BILL 2560

State of Washington

55th Legislature

1998 Regular Session

By Representatives L. Thomas and Wolfe; by request of Department of Financial Institutions

Read first time 01/15/98. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to the powers of trust companies; amending RCW
2 30.04.280 and 30.53.070; and adding a new section to chapter 30.08 RCW.

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

4 **Sec. 1.** RCW 30.04.280 and 1996 c 2 s 4 are each amended to read as
5 follows:

6 No person shall engage in banking except in compliance with and
7 subject to the provisions of this title, unless it is a national bank
8 or except insofar as it may be authorized so to do by the laws of this
9 state relating to mutual savings banks or savings and loan
10 associations. A corporation shall not engage in a trust business
11 except in compliance with and subject to the provisions of this title.
12 A bank shall not engage in a trust business except as authorized under
13 this title. A bank or trust company shall not establish any branch
14 except in accordance with the provisions of this title. Except as
15 authorized by federal law or by another law of this state, a trust
16 company incorporated under the laws of another state, a national trust
17 company or national bank the main office of which is located in such
18 other state, or a federal savings bank the home office of which is
19 located in such other state, shall not be permitted to engage in a

1 trust business in this state on more favorable terms and conditions
2 than the terms and conditions on which trust companies incorporated
3 under this chapter and mutual savings banks engaged in trust business
4 under RCW 32.08.140, 32.08.142, 32.08.210, and 32.08.215 are permitted
5 to engage in trust business in such other state.

6 NEW SECTION. **Sec. 2.** A new section is added to chapter 30.08 RCW
7 to read as follows:

8 (1) In addition to all powers, express or implied, that a trust
9 company has under the laws of this state, a trust company incorporated
10 under this chapter shall have the powers and authorities of a national
11 bank and a national trust company.

12 (2) The restrictions, limitations, and requirements of law
13 applicable to specific powers and authorities of national banks and
14 national trust companies shall apply to trust companies incorporated
15 under this chapter exercising those powers and authorities permitted
16 under this section, but only insofar as the restrictions, limitations,
17 and requirements relate to exercising the powers or authorities granted
18 trust companies under this section.

19 **Sec. 3.** RCW 30.53.070 and 1994 c 256 s 65 are each amended to read
20 as follows:

21 (1) The owner of shares of a trust company that were voted against
22 a merger to result in a trust company shall be entitled to receive
23 their value in cash, if and when the merger becomes effective, upon
24 written demand made to the resulting trust company at any time within
25 thirty days after the effective date of the merger, accompanied by the
26 surrender of the stock certificates. The value of the shares shall be
27 determined, as of the date of the stockholders' meeting approving the
28 merger, by three appraisers, one to be selected by the owners of two-
29 thirds of the dissenting shares, one by the board of directors of the
30 resulting trust company, and the third by the two so chosen. The
31 valuation agreed upon by any two appraisers shall govern. If the
32 appraisal is not completed within ninety days after the merger becomes
33 effective, the director shall cause an appraisal to be made. ((The
34 expenses of appraisal shall be paid by the resulting trust company.))

35 (2) The dissenting shareholders shall bear, on a pro rata basis
36 based on number of dissenting ((shared [shares])) shares owned, the
37 cost of their appraisal and one-half of the cost of a third appraisal,

1 and the resulting trust company shall bear the cost of its appraisal
2 and one-half of the cost of the third appraisal. If the director
3 causes an appraisal to be made, the cost of that appraisal shall be
4 borne equally by the dissenting shareholders and the resulting trust
5 company, with the dissenting shareholders sharing their half of the
6 cost on a pro rata basis based on number of dissenting shares owned.

7 (3) The resulting trust company may fix an amount which it
8 considers to be not more than the fair market value of the shares of a
9 merging trust company at the time of the stockholders' meeting
10 approving the merger, that it will pay dissenting shareholders of the
11 trust company entitled to payment in cash. The amount due under an
12 accepted offer or under the appraisal shall constitute a debt of the
13 resulting trust company.

--- END ---