
SUBSTITUTE HOUSE BILL 1326

State of Washington

62nd Legislature

2011 Regular Session

By House State Government & Tribal Affairs (originally sponsored by Representatives Appleton, Hope, Llias, Warnick, Miloscia, Goodman, Kagi, Darneille, and Bailey)

READ FIRST TIME 02/15/11.

1 AN ACT Relating to prize-linked savings deposits; amending RCW
2 9.46.0356, 19.170.020, 30.22.040, 31.12.402, 30.08.140, and 32.08.140;
3 adding a new section to chapter 30.22 RCW; creating a new section; and
4 providing a contingent effective date.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that consumer savings
7 is essential, both for individuals seeking to obtain the American
8 dream, and in order to rebuild a strong economy. The legislature
9 further finds that for most of the last two decades, consumers have
10 borrowed more than they have saved, with current United States savings
11 rates under six percent. The legislature intends to encourage
12 financial institutions to develop innovative products that create
13 incentives to encourage consumer savings, particularly savings by low-
14 income consumers.

15 **Sec. 2.** RCW 9.46.0356 and 2000 c 228 s 1 are each amended to read
16 as follows:

17 (1) The legislature authorizes:

1 (a) A business to conduct a promotional contest of chance as
2 defined in this section, in this state, or partially in this state,
3 whereby the elements of prize and chance are present but in which the
4 element of consideration is not present;

5 (b) A financial institution, as defined in RCW 30.22.040, to
6 conduct a promotional contest of chance under this section in which a
7 drawing for a prize is held that includes only those persons who
8 deposited funds in a savings account, certificate of deposit, or any
9 other savings program of the financial institution as eligible prize
10 recipients. No such contest may be conducted, either wholly or
11 partially, by means of the internet.

12 (2) Promotional contests of chance under this section are not
13 gambling as defined in RCW 9.46.0237.

14 (3) Promotional contests of chance shall be conducted as
15 advertising and promotional undertakings solely for the purpose of
16 advertising or promoting the services, goods, wares, and merchandise of
17 a business.

18 (4) No person eligible to receive a prize in a promotional contest
19 of chance under subsection (1)(a) of this section may be required to:

20 (a) Pay any consideration to the promoter or operator of the
21 business in order to participate in the contest; or

22 (b) Purchase any service, goods, wares, merchandise, or anything of
23 value from the business, however, for other than contests entered
24 through a direct mail solicitation, the promoter or sponsor may give
25 additional entries or chances upon purchase of service, goods, wares,
26 or merchandise if the promoter or sponsor provides an alternate method
27 of entry requiring no consideration.

28 (5) No person eligible to receive a prize in a promotional contest
29 of chance under subsection (1)(b) of this section may be required to
30 pay any consideration other than the deposit of funds, or purchase any
31 service, goods, wares, merchandise, or anything of value from the
32 financial institution.

33 (6)(a) As used in this section, "consideration" means anything of
34 pecuniary value required to be paid to the promoter or sponsor in order
35 to participate in a promotional contest. Such things as visiting a
36 business location, placing or answering a telephone call, completing an
37 entry form or customer survey, or furnishing a stamped, self-addressed
38 envelope do not constitute consideration.

1 (b) Coupons or entry blanks obtained by purchase of a bona fide
2 newspaper or magazine or in a program sold in conjunction with a
3 regularly scheduled sporting event are not consideration.

4 ~~((+6))~~ (7) Unless authorized by the commission, equipment or
5 devices made for use in a gambling activity are prohibited from use in
6 a promotional contest.

7 ~~((+7))~~ (8) This section shall not be construed to permit
8 noncompliance with chapter 19.170 RCW, promotional advertising of
9 prizes, and chapter 19.86 RCW, unfair business practices.

10 **Sec. 3.** RCW 19.170.020 and 1991 c 227 s 2 are each amended to read
11 as follows:

12 Unless the context clearly requires otherwise, the definitions in
13 this section apply throughout this chapter.

14 (1) "Person" means an individual, corporation, the state or its
15 subdivisions or agencies, business trust, estate, trust, partnership,
16 association, cooperative, or any other legal entity.

17 (2) "Prize" means a gift, award, travel coupon or certificate, free
18 item, or any other item offered in a promotion that is different and
19 distinct from the goods, service, or property promoted by a sponsor.
20 "Prize" does not include an item offered in a promotion where all of
21 the following elements are present:

22 (a) No element of chance is involved in obtaining the item offered
23 in the promotion;

24 (b) The recipient has the right to review the merchandise offered
25 for sale without obligation for at least seven days, and has a right to
26 obtain a full refund in thirty days for the return of undamaged
27 merchandise;

28 (c) The recipient may keep the item offered in the promotion
29 without obligation; and

30 (d) The recipient is not required to attend any sales presentation
31 or spend any sum in order to receive the item offered in the promotion.

32 (3) "Promoter" means a person conducting a promotion.

33 (4) "Promotion" means an advertising program, sweepstakes, contest,
34 direct giveaway, or solicitation directed to specific named
35 individuals, that includes the award of or chance to be awarded a
36 prize, but does not include a promotional contest of chance under RCW
37 9.46.0356(1)(b).

1 (5) "Offer" means a written notice delivered by hand, mail, or
2 other print medium offering goods, services, or property made as part
3 of a promotion to a person based on a representation that the person
4 has been awarded, or will be awarded, a prize.

5 (6) "Sponsor" means a person on whose behalf a promotion is
6 conducted to promote or advertise goods, services, or property of that
7 person.

8 (7) "Simulated check" means a document that is not currency or a
9 check, draft, note, bond, or other negotiable instrument but has the
10 visual characteristics thereof. "Simulated check" does not include a
11 nonnegotiable check, draft, note, or other instrument that is used for
12 soliciting orders for the purchase of checks, drafts, notes, bonds, or
13 other instruments and that is clearly marked as a sample, specimen, or
14 nonnegotiable.

15 (8) "Continuing obligation check" means a document that is a check,
16 draft, note, bond, or other negotiable instrument that, when cashed,
17 deposited, or otherwise used, imposes on the payee an obligation to
18 enter into a loan transaction. This definition does not include
19 checks, drafts, or other negotiable instruments that are used by
20 consumers to take advances on revolving loans, credit cards, or
21 revolving credit accounts.

22 (9) "Verifiable retail value" means:

23 (a) A price at which a promoter or sponsor can demonstrate that a
24 substantial number of prizes have been sold at retail in the local
25 market by a person other than the promoter or sponsor; or

26 (b) If the prize is not available for retail sale in the local
27 market, the retail fair market value in the local market of an item
28 substantially similar in each significant aspect, including size,
29 grade, quality, quantity, ingredients, and utility; or

30 (c) If the value of the prize cannot be established under (a) or
31 (b) of this subsection, then the prize may be valued at no more than
32 three times its cost to the promoter or sponsor.

33 (10) "Financial institution" means any bank, trust company, savings
34 bank, savings and loan association, credit union, industrial loan
35 company, or consumer finance lender subject to regulation by an
36 official agency of this state or the United States, and any subsidiary
37 or affiliate thereof.

1 **Sec. 4.** RCW 30.22.040 and 1981 c 192 s 4 are each amended to read
2 as follows:

3 Unless the context of this chapter otherwise requires, the terms
4 contained in this section have the meanings indicated.

5 (1) "Account" means a contract of deposit between a depositor or
6 depositors and a financial institution; the term includes a checking
7 account, savings account, certificate of deposit, savings certificate,
8 share account, savings bond, and other like arrangements.

9 (2) "Actual knowledge" means written notice to a manager of a
10 branch of a financial institution, or an officer of the financial
11 institution in the course of his employment at the branch, pertaining
12 to funds held on deposit in an account maintained by the branch
13 received within a period of time which affords the financial
14 institution a reasonable opportunity to act upon the knowledge.

15 (3) "Individual" means a human being; "person" includes an
16 individual, corporation, partnership, limited partnership, joint
17 venture, trust, or other entity recognized by law to have separate
18 legal powers.

19 (4) "Agent" means a person designated by a depositor or depositors
20 in a contract of deposit or other document to have the authority to
21 deposit and to make payments from an account in the name of the
22 depositor or depositors.

23 (5) "Agency account" means an account to which funds may be
24 deposited and from which payments may be made by an agent designated by
25 a depositor. In the event there is more than one depositor named on an
26 account, each depositor may designate the same or a different agent for
27 the purpose of depositing to or making payments of funds from a
28 depositor's account.

29 (6) "Single account" means an account in the name of one depositor
30 only.

31 (7) "Joint account without right of survivorship" means an account
32 in the name of two or more depositors and which contains no provision
33 that the funds of a deceased depositor become the property of the
34 surviving depositor or depositors.

35 (8) "Joint account with right of survivorship" means an account in
36 the name of two or more depositors and which provides that the funds of
37 a deceased depositor become the property of one or more of the
38 surviving depositors.

1 (9) "Trust and P.O.D. accounts" means accounts payable on request
2 to a depositor during the depositor's lifetime, and upon the
3 depositor's death to one or more designated beneficiaries, or which are
4 payable to two or more depositors during their lifetimes, and upon the
5 death of all depositors to one or more designated beneficiaries. The
6 term "trust account" does not include deposits by trustees or other
7 fiduciaries where the trust or fiduciary relationship is established
8 other than by a contract of deposit with a financial institution.

9 (10) "Trust or P.O.D. account beneficiary" means a person or
10 persons, other than a codepositor, who has or have been designated by
11 a depositor or depositors to receive the depositor's funds remaining in
12 an account upon the death of a depositor or all depositors.

13 (11) "Depositor", when utilized in determining the rights of
14 individuals to funds in an account, means an individual who owns the
15 funds. When utilized in determining the rights of a financial
16 institution to make or withhold payment, and/or to take any other
17 action with regard to funds held under a contract of deposit,
18 "depositor" means the individual or individuals who have the current
19 right to payment of funds held under the contract of deposit without
20 regard to the actual rights of ownership thereof by these individuals.
21 A trust or P.O.D. account beneficiary becomes a depositor only when the
22 account becomes payable to the beneficiary by reason of having survived
23 the depositor or depositors named on the account, depending upon the
24 provisions of the contract of deposit.

25 (12) "Financial institution" means a bank, trust company, mutual
26 savings bank, savings and loan association, or credit union authorized
27 to do business and accept deposits in this state under state or federal
28 law.

29 (13) "Depositor's funds" or "funds of a depositor" means the amount
30 of all deposits belonging to or made for the benefit of a depositor,
31 less all withdrawals of the funds by the depositor or by others for the
32 depositor's benefit, plus the depositor's prorated share of any
33 interest or dividends included in the current balance of the account
34 and any proceeds of deposit life insurance added to the account by
35 reason of the death of a depositor.

36 (14) "Payment(s)" of sums on deposit includes withdrawal, payment
37 by check or other directive of a depositor or his agent, any pledge of
38 sums on deposit by a depositor or his agent, any set-off or reduction

1 or other disposition of all or part of an account balance, and any
2 payments to any person under RCW 30.22.120, 30.22.140, 30.22.150,
3 30.22.160, 30.22.170, 30.22.180, 30.22.190, 30.22.200, and 30.22.220.

4 (15) "Proof of death" means a certified or authenticated copy of a
5 death certificate, or photostatic copy thereof, purporting to be issued
6 by an official or agency of the jurisdiction where the death
7 purportedly occurred, or a certified or authenticated copy of a record
8 or report of a governmental agency, domestic or foreign, that a person
9 is dead. In either case, the proofs constitute prima facie proof of
10 the fact, place, date, and time of death, and identity of the decedent
11 and the status of the dates, circumstances, and places disclosed by the
12 record or report.

13 (16) "Request" means a request for withdrawal, or a check or order
14 for payment, which complies with all conditions of the account,
15 including special requirements concerning necessary signatures and
16 regulations of the financial institution; but if the financial
17 institution conditions withdrawal or payment on advance notice, for
18 purposes of this chapter the request for withdrawal or payment is
19 treated as immediately effective and a notice of intent to withdraw is
20 treated as a request for withdrawal.

21 (17) "Withdrawal" means payment to a person pursuant to check or
22 other directive of a depositor.

23 (18) "Director" means the director of the department of financial
24 institutions or his or her designee.

25 (19) "Promotional contest of chance" means a drawing for a prize
26 that includes only those persons who deposited funds in a savings
27 account, certificate of deposit, or any other savings program of the
28 financial institution as eligible prize recipients.

29 NEW SECTION. Sec. 5. A new section is added to chapter 30.22 RCW
30 to read as follows:

31 (1) If approved by its board of directors, a financial institution
32 may conduct a promotional contest of chance as permitted under RCW
33 9.46.0356(1)(b).

34 (2) A financial institution must not conduct a savings promotional
35 contest of chance, if, in the opinion of the director:

36 (a) It is likely to or does adversely affect the financial
37 institution's safety and soundness;

1 (b) It is administered in an unsafe and unsound or imprudent
2 manner, or in a manner that is likely to or does result in actual or
3 potential reputational harm to the financial institution; or

4 (c) It is likely to or has misled the financial institution's
5 members, depositors, or the general public.

6 (3) The director may examine the conduct of a promotional contest
7 of chance pursuant to his or her supervisory and examination powers
8 under:

9 (a) Title 30 RCW, in regard to a bank;

10 (b) Title 32 RCW, in regard to a mutual or stock savings bank; or

11 (c) Chapter 31.12 RCW, in regard to a state credit union.

12 (4) The director may exercise his or her full enforcement powers
13 under the titles and chapter in subsection (3) of this section and may
14 issue a cease and desist order for a violation of this section.

15 (5) A financial institution must maintain records sufficient to
16 facilitate an audit of a promotional contest of chance, and must
17 provide those records to the director upon request.

18 **Sec. 6.** RCW 31.12.402 and 2001 c 83 s 14 are each amended to read
19 as follows:

20 A credit union may:

21 (1) Issue shares to and receive deposits from its members in
22 accordance with RCW 31.12.416;

23 (2) Make loans to its members in accordance with RCW 31.12.426 and
24 31.12.428;

25 (3) Pay dividends and interest to its members in accordance with
26 RCW 31.12.418;

27 (4) Impose reasonable charges for the services it provides to its
28 members;

29 (5) Impose financing charges and reasonable late charges in the
30 event of default on loans, subject to applicable law, and recover
31 reasonable costs and expenses, including, but not limited to,
32 collection costs, and reasonable attorneys' fees incurred both before
33 and after judgment, incurred in the collection of sums due, if provided
34 for in the note or agreement signed by the borrower;

35 (6) Acquire, lease, hold, assign, pledge, sell, or otherwise
36 dispose of interests in personal property and in real property in
37 accordance with RCW 31.12.438;

- 1 (7) Deposit and invest funds in accordance with RCW 31.12.436;
- 2 (8) Borrow money, up to a maximum of fifty percent of its total
3 shares, deposits, and net worth;
- 4 (9) Discount or sell any of its assets, or purchase any or all of
5 the assets of another credit union, out-of-state credit union, or
6 federal credit union. However, a credit union may not discount or sell
7 all, or substantially all, of its assets without the approval of the
8 director;
- 9 (10) Accept deposits of deferred compensation of its members;
- 10 (11) Act as fiscal agent for and receive payments on shares and
11 deposits from the federal government or this state, and any agency or
12 political subdivision thereof;
- 13 (12) Engage in activities and programs as requested by the federal
14 government, this state, and any agency or political subdivision
15 thereof, when the activities or programs are not inconsistent with this
16 chapter;
- 17 (13) Hold membership in credit unions, out-of-state credit unions,
18 or federal credit unions and in organizations controlled by or
19 fostering the interests of credit unions, including, but not limited
20 to, a central liquidity facility organized under state or federal law;
- 21 (14) Pay additional dividends and interest to members, or an
22 interest rate refund to borrowers;
- 23 (15) Enter into lease agreements, lease contracts, and
24 lease-purchase agreements with members;
- 25 (16) Act as insurance agent or broker for the sale to members of:
- 26 (a) Group life, accident, health, and credit life and disability
27 insurance; and
- 28 (b) Other insurance that other types of Washington state-chartered
29 financial institutions are permitted to sell, on the same terms and
30 conditions that these institutions are permitted to sell such
31 insurance;
- 32 (17) Impose a reasonable service charge for the administration and
33 processing of accounts that remain dormant for a period of time
34 specified by the credit union;
- 35 (18) Establish and operate on-premises or off-premises electronic
36 facilities;
- 37 (19) Enter into formal or informal agreements with another credit

1 union for the purpose of fostering the development of the other credit
2 union;

3 (20) Work with community leaders to develop and prioritize efforts
4 to improve the areas where their members reside by making investments
5 in the community through contributions to organizations that primarily
6 serve either a charitable, social, welfare, or educational purpose, or
7 are exempt from taxation pursuant to section 501(c)(3) of the internal
8 revenue code;

9 (21) Limit the personal liability of its directors in accordance
10 with provisions of its articles of incorporation that conform with RCW
11 23B.08.320;

12 (22) Indemnify its directors, supervisory committee members,
13 officers, employees, and others in accordance with provisions of its
14 articles of incorporation or bylaws that conform with RCW 23B.08.500
15 through 23B.08.600;

16 (23) Conduct a promotional contest of chance as authorized in RCW
17 9.46.0356(1)(b), as long as the conditions of RCW 9.46.0356(5) and
18 section 5 of this act are complied with to the satisfaction of the
19 director; and

20 ~~((+23))~~ (24) Exercise such incidental powers as are necessary or
21 convenient to enable it to conduct the business of a credit union.

22 **Sec. 7.** RCW 30.08.140 and 1996 c 2 s 5 are each amended to read as
23 follows:

24 Upon the issuance of a certificate of authority to a bank, the
25 persons named in the articles of incorporation and their successors
26 shall thereupon become a corporation and shall have power:

27 (1) To adopt and use a corporate seal.

28 (2) To have perpetual succession.

29 (3) To make contracts.

30 (4) To sue and be sued, the same as a natural person.

31 (5) To elect directors who, subject to the provisions of the
32 corporation's bylaws, shall have power to appoint such officers as may
33 be necessary or convenient, to define their powers and duties and to
34 dismiss them at pleasure, and who shall also have general supervision
35 and control of the affairs of such corporation.

36 (6) To make and alter bylaws, not inconsistent with its articles of

1 incorporation or with the laws of this state, for the administration
2 and regulation of its affairs.

3 (7) To invest and reinvest its funds in marketable obligations
4 evidencing the indebtedness of any person, copartnership, association,
5 or corporation in the form of bonds, notes, or debentures commonly
6 known as investment securities except as may by regulation be limited
7 by the director.

8 (8) To discount and negotiate promissory notes, drafts, bills of
9 exchange and other evidences of debt, to receive deposits of money and
10 commercial paper, to lend money secured or unsecured, to issue all
11 forms of letters of credit, to buy and sell bullion, coins and bills of
12 exchange.

13 (9) To take and receive as bailee for hire upon terms and
14 conditions to be prescribed by the corporation, for safekeeping and
15 storage, jewelry, plate, money, specie, bullion, stocks, bonds,
16 mortgages, securities and valuable paper of any kind and other valuable
17 personal property, and to rent vaults, safes, boxes and other
18 receptacles for safekeeping and storage of personal property.

19 (10) If the bank be located in a city of not more than five
20 thousand inhabitants, to act as insurance agent. A bank exercising
21 this power may continue to act as an insurance agent notwithstanding a
22 change of the population of the city in which it is located.

23 (11) To accept drafts or bills of exchange drawn upon it having not
24 more than six months sight to run, which grow out of transactions
25 involving the importation or exportation of goods; or which grow out of
26 transactions involving the domestic shipment of goods, providing
27 shipping documents conveying or securing title are attached at the time
28 of acceptance; or which are secured at the time of acceptance by a
29 warehouse receipt or other such document conveying or securing title to
30 readily marketable staples. No bank shall accept, either in a foreign
31 or a domestic transaction, for any one person, company, firm or
32 corporation, to an amount equal at any one time in the aggregate to
33 more than ten percent of its paid up and unimpaired capital stock and
34 surplus unless the bank is secured by attached documents or by some
35 other actual security growing out of the same transaction as the
36 acceptance; and no bank shall accept such bills to an amount equal at
37 any time in the aggregate to more than one-half of its paid up and
38 unimpaired capital stock and surplus: PROVIDED, HOWEVER, That the

1 director, under such general regulations applicable to all banks
2 irrespective of the amount of capital or surplus, as the director may
3 prescribe may authorize any bank to accept such bills to an amount not
4 exceeding at any time in the aggregate one hundred percent of its paid
5 up and unimpaired capital stock and surplus: PROVIDED, FURTHER, That
6 the aggregate of acceptances growing out of domestic transactions shall
7 in no event exceed fifty percent of such capital stock and surplus.

8 (12) To accept drafts or bills of exchange drawn upon it, having
9 not more than three months sight to run, drawn under regulations to be
10 prescribed by the director by banks or bankers in foreign countries or
11 dependencies or insular possessions of the United States for the
12 purpose of furnishing dollar exchange as required by the usages of
13 trade in the respective countries, dependencies or insular possessions.
14 Such drafts or bills may be acquired by banks in such amounts and
15 subject to such regulations, restrictions and limitations as may be
16 provided by the director: PROVIDED, HOWEVER, That no bank shall accept
17 such drafts or bills of exchange referred to in this subdivision for
18 any one bank to an amount exceeding in the aggregate ten percent of the
19 paid up and unimpaired capital and surplus of the accepting bank unless
20 the draft or bill of exchange is accompanied by documents conveying or
21 securing title or by some other adequate security, and that no such
22 drafts or bills of exchange shall be accepted by any bank in an amount
23 exceeding at any time the aggregate of one-half of its paid up and
24 unimpaired capital and surplus: PROVIDED FURTHER, That compliance by
25 any bank which is a member of the federal reserve system of the United
26 States with the rules, regulations and limitations adopted by the
27 federal reserve board thereof with respect to the acceptance of drafts
28 or bills of exchange by members of such federal reserve system shall be
29 a sufficient compliance with the requirements of this subdivision or
30 paragraph relating to rules, regulations and limitations prescribed by
31 the director.

32 (13) To have and exercise all powers necessary or convenient to
33 effect its purposes.

34 (14) To serve as custodian of an individual retirement account and
35 pension and profit sharing plans qualified under internal revenue code
36 section 401(a), the assets of which are invested in deposits of the
37 bank or trust company or are invested, pursuant to directions from the
38 customer owning the account, in securities traded on a national

1 securities market: PROVIDED, That the bank or trust company shall
2 accept no investment responsibilities over the account unless it is
3 granted trust powers by the director.

4 (15) To be a limited partner in a limited partnership that engages
5 in only such activities as are authorized for the bank.

6 (16) To exercise any other power or authority permissible under
7 applicable state or federal law conducted by out-of-state state banks
8 with branches in Washington to the same extent if, in the opinion of
9 the director, those powers and authorities affect the operations of
10 banking in Washington or affect the delivery of financial services in
11 Washington.

12 (17) To conduct a promotional contest of chance as authorized in
13 RCW 9.46.0356(1)(b), as long as the conditions of RCW 9.46.0356(5) and
14 section 5 of this act are complied with to the satisfaction of the
15 director.

16 **Sec. 8.** RCW 32.08.140 and 1999 c 14 s 17 are each amended to read
17 as follows:

18 Every mutual savings bank incorporated under this title shall have,
19 subject to the restrictions and limitations contained in this title,
20 the following powers:

21 (1) To receive deposits of money, to invest the same in the
22 property and securities prescribed in this title, to declare dividends
23 in the manner prescribed in this title, and to exercise by its board of
24 trustees or duly authorized officers or agents, subject to law, all
25 such incidental powers as shall be necessary to carry on the business
26 of a savings bank.

27 (2) To issue transferable certificates showing the amounts
28 contributed by any incorporator or trustee to the guaranty fund of such
29 bank, or for the purpose of paying its expenses. Every such
30 certificate shall show that it does not constitute a liability of the
31 savings bank, except as otherwise provided in this title.

32 (3) To purchase, hold and convey real property as prescribed in RCW
33 32.20.280.

34 (4) To pay depositors as hereinafter provided, and when requested,
35 pay them by drafts upon deposits to the credit of the savings bank in
36 any city in the United States, and to charge current rates of exchange
37 for such drafts.

1 (5) To borrow money in pursuance of a resolution adopted by a vote
2 of a majority of its board of trustees duly entered upon its minutes
3 whereon shall be recorded by ayes and noes the vote of each trustee,
4 for the purpose of repaying depositors, and to pledge or hypothecate
5 securities as collateral for loans so obtained. Immediate written
6 notice shall be given to the director of all amounts so borrowed, and
7 of all assets so pledged or hypothecated.

8 (6) Subject to such regulations and restrictions as the director
9 finds to be necessary and proper, to borrow money in pursuance of a
10 resolution, policy, or other governing document adopted by its board of
11 trustees, for purposes other than that of repaying depositors and to
12 pledge or hypothecate its assets as collateral for any such loans,
13 provided that no amount shall at any time be borrowed by a savings bank
14 pursuant to this subsection (6), if such amount, together with the
15 amount then remaining unpaid upon prior borrowings by such savings bank
16 pursuant to this subsection (6), exceeds thirty percent of the assets
17 of the savings bank.

18 The sale of securities or loans by a bank subject to an agreement
19 to repurchase the securities or loans shall not be considered a
20 borrowing. Borrowings from federal, state, or municipal governments or
21 agencies or instrumentalities thereof shall not be subject to the
22 limits of this subsection.

23 (7) To collect or protest promissory notes or bills of exchange
24 owned by such bank or held by it as collateral, and remit the proceeds
25 of the collections by drafts upon deposits to the credit of the savings
26 bank in any city in the United States, and to charge the usual rates or
27 fees for such collection and remittance for such protest.

28 (8) To sell gold or silver received in payment of interest or
29 principal of obligations owned by the savings bank or from depositors
30 in the ordinary course of business.

31 (9) To act as insurance agent for the purpose of writing fire
32 insurance on property in which the bank has an insurable interest, the
33 property to be located in the city in which the bank is situated and in
34 the immediate contiguous suburbs, notwithstanding anything in any other
35 statute to the contrary.

36 (10) To let vaults, safes, boxes or other receptacles for the
37 safekeeping or storage of personal property, subject to laws and

1 regulations applicable to, and with the powers possessed by, safe
2 deposit companies.

3 (11) To elect or appoint in such manner as it may determine all
4 necessary or proper officers, agents, boards, and committees, to fix
5 their compensation, subject to the provisions of this title, and to
6 define their powers and duties, and to remove them at will.

7 (12) To make and amend bylaws consistent with law for the
8 management of its property and the conduct of its business.

9 (13) To wind up and liquidate its business in accordance with this
10 title.

11 (14) To adopt and use a common seal and to alter the same at
12 pleasure.

13 (15) To exercise any other power or authority permissible under
14 applicable state or federal law exercised by other savings banks or by
15 savings and loan associations with branches in Washington to the same
16 extent as those savings institutions if, in the opinion of the
17 director, the exercise of these powers and authorities by the other
18 savings institutions affects the operations of savings banks in
19 Washington or affects the delivery of financial services in Washington.

20 (16) To exercise the powers and authorities conferred by RCW
21 30.04.215.

22 (17) To exercise the powers and authorities that may be carried on
23 by a subsidiary of the mutual savings bank that has been determined to
24 be a prudent investment pursuant to RCW 32.20.380.

25 (18) To do all other acts authorized by this title.

26 (19) To exercise the powers and authorities that may be exercised
27 by an insured state bank in compliance with 12 U.S.C. Sec. 1831a.

28 (20) To conduct a promotional contest of chance as authorized in
29 RCW 9.46.0356(1)(b), as long as the conditions of RCW 9.46.0356(5) and
30 section 5 of this act are complied with to the satisfaction of the
31 director.

32 NEW SECTION. **Sec. 9.** Sections 7 and 8 of this act take effect
33 when the director of the department of financial institutions finds
34 that a federal regulatory agency has, through federal law, regulation,
35 or official regulatory interpretation, interpreted federal law to

1 permit banks operating under the authority of Title 30 or 32 RCW to
2 conduct a promotional contest of chance as defined in RCW 30.22.040.

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