
ENGROSSED SUBSTITUTE SENATE BILL 5208

State of Washington

63rd Legislature

2013 Regular Session

By Senate Financial Institutions, Housing & Insurance (originally sponsored by Senators Benton, Hobbs, Nelson, Hatfield, Mullet, and Shin; by request of Department of Financial Institutions)

READ FIRST TIME 02/07/13.

1 AN ACT Relating to banks, trust companies, savings banks, and
2 savings associations, and making technical amendments to the laws
3 governing the department of financial institutions; amending RCW
4 30.04.010, 30.04.070, 30.04.111, 30.04.215, 30.04.217, 30.04.240,
5 30.04.260, 30.04.280, 30.08.140, 30.08.140, 30.08.155, 30.38.010,
6 30.38.015, 30.46.020, 30.46.030, 30.46.040, 30.46.050, 30.46.060,
7 30.46.070, 30.46.080, 30.46.090, 32.04.030, 32.08.140, 32.08.140,
8 32.08.142, 32.08.153, 32.50.030, 33.12.012, 33.24.010, and 33.32.060;
9 amending 2011 c 303 s 9 (uncodified); adding a new section to chapter
10 32.04 RCW; repealing RCW 30.08.095, 32.08.146, 32.08.155, and
11 32.08.1551; providing a contingent effective date; and providing a
12 contingent expiration date.

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

14 **Sec. 1.** RCW 30.04.010 and 2010 c 88 s 3 are each amended to read
15 as follows:

16 Unless the context clearly requires otherwise, the definitions in
17 this section apply throughout this title.

18 (1) "Adequately capitalized," "critically undercapitalized,"
19 "significantly undercapitalized," "undercapitalized," and "well-

1 capitalized," respectively, have meanings consistent with the
2 definitions these same terms have under the prompt corrective action
3 provisions of the federal deposit insurance act, 12 U.S.C. Sec. 1831o,
4 and applicable enabling rules of the federal deposit insurance
5 corporation.

6 (2) "Bank," unless a different meaning appears from the context,
7 means any corporation organized under the laws of this state engaged in
8 banking, other than a trust company, savings association, or a mutual
9 savings bank.

10 (3) "Bank holding company" means a bank holding company under
11 authority of the federal bank holding company act.

12 (4) "Banking" includes the soliciting, receiving or accepting of
13 money or its equivalent on deposit as a regular business.

14 (5) "Branch" means any established office of deposit, domestic or
15 otherwise, maintained by any bank or trust company other than its head
16 office. "Branch" does not mean a machine permitting customers to leave
17 funds in storage or communicate with bank employees who are not located
18 at the site of the machine, unless employees of the bank at the site of
19 the machine take deposits on a regular basis. An office or facility of
20 an entity other than the bank shall not be deemed to be established by
21 the bank, regardless of any affiliation, accommodation arrangement, or
22 other relationship between the other entity and the bank.

23 (6) "Department" means the Washington state department of financial
24 institutions.

25 (7) "Director" means the director of the department.

26 (8) "Financial holding company" means a financial services holding
27 company under authority of the federal bank holding company act.

28 (9) "Foreign bank" and "foreign banker" includes:

29 (a) Every corporation not organized under the laws of the territory
30 or state of Washington doing a banking business, except a national
31 bank;

32 (b) Every unincorporated company, partnership or association of two
33 or more individuals organized under the laws of another state or
34 country, doing a banking business;

35 (c) Every other unincorporated company, partnership or association
36 of two or more individuals, doing a banking business, if the members
37 thereof owning a majority interest therein or entitled to more than
38 one-half of the net assets thereof are not residents of this state; or

1 (d) Every nonresident of this state doing a banking business in his
2 or her own name and right only.

3 (10) "Holding company" means a bank holding company or financial
4 holding company of a bank organized under chapter 30.08 RCW or
5 converted to a state bank under chapter 30.49 RCW, or a holding company
6 of a trust company authorized to do business under this title.

7 (11) "Law firm" means a partnership, professional limited liability
8 corporation, professional limited liability partnership, or similar
9 entity whose partners, members, or shareholders are exclusively
10 attorneys-at-law.

11 (12) "Person" (~~includes a~~) means an individual or an entity
12 including, but not limited to, a sole proprietorship, firm,
13 association, general partnership or joint venture, limited liability
14 company, limited liability partnership, trust, or corporation, or the
15 plural thereof, whether resident, nonresident, citizen, or not.

16 (~~(12)~~) (13) The term "trust business" shall include the business
17 of doing any or all of the things specified in RCW 30.08.150 (2), (3),
18 (4), (5), (6), (7), (8), (9), (10) and (11).

19 (~~(13)~~) (14) "Trust company," unless a different meaning appears
20 from the context, means any corporation or limited liability company,
21 other than a bank, savings bank, or savings association, organized and
22 chartered as a trust company under this title for the purpose of
23 engaging in trust business.

24 **Sec. 2.** RCW 30.04.070 and 2010 c 88 s 8 are each amended to read
25 as follows:

26 (1) In order to cover the costs of the operation of the
27 department's division of banks and to establish and maintain a
28 reasonable reserve for the division of banks, the department may charge
29 and collect the costs of examination, filing and other service fees,
30 and semiannual charges for recoupment of nondirect expenses related to
31 the examination of financial institutions regulated by the department,
32 as provided for in this section.

33 (2) The director shall collect from each bank, savings bank, trust
34 company, savings association, holding company under this title (~~30~~
35 ~~RCW~~), holding company under Title 32 RCW, business development company
36 under chapter 31.24 RCW, agricultural lender under chapter 31.35 RCW,
37 and small business lender under chapter 31.40 RCW(~~7~~):

1 (a) For each examination of its condition the estimated actual cost
2 of such examination; and

3 (b) For services in relation to required filings, applications,
4 requests for waiver, investigations, approvals, determinations,
5 certifications, agreements, actions, directives, and orders made by or
6 to the director.

7 (3) In addition to collecting the estimated actual cost of
8 examination and other fees authorized by subsection (2) of this
9 section, the director may collect a semiannual charge for recoupment of
10 nondirect expenses related to the examination of a bank or trust
11 company under this title, a savings bank under Title 32 RCW, and a
12 savings association under Title 33 RCW, based upon the assets of the
13 bank, savings bank, or savings association, or assets under management
14 of the trust company, which shall be computed upon the asset value
15 reflected in the institution's most recent report of condition. The
16 rate must be the same for banks, savings banks, and savings
17 associations, and there may be a separate rate for trust companies that
18 must be the same for all trust companies.

19 (4) Every bank or trust company, savings bank, savings association,
20 holding company, business development company, state agricultural
21 lender, or state small business lender shall also pay to the secretary
22 of state for filing any instrument the same fees as are required of
23 general corporations for filing corresponding instruments, and also the
24 same license fees as are required of general corporations.

25 (5) The director shall establish, set, and adjust by rule the
26 amount of all fees and charges authorized by subsections (2) and (3) of
27 this section.

28 **Sec. 3.** RCW 30.04.111 and 2010 c 88 s 10 are each amended to read
29 as follows:

30 (1) The total loans and extensions of credit by a bank or trust
31 company to a person outstanding at any one time shall not exceed twenty
32 percent of the capital and surplus of such bank or trust company.
33 ~~((The following loans and extensions of credit shall not be subject to~~
34 ~~this limitation:~~

35 ~~(a) Loans or extensions of credit arising from the discount of~~
36 ~~commercial or business paper evidencing an obligation to the person~~
37 ~~negotiating it with recourse;~~

1 ~~(b) Loans or extensions of credit secured by bonds, notes,~~
2 ~~certificates of indebtedness, or treasury bills of the United States or~~
3 ~~by other such obligations wholly guaranteed as to principal and~~
4 ~~interest by the United States;~~

5 ~~(c) Loans or extensions of credit to or secured by unconditional~~
6 ~~takeout commitments or guarantees of any department, agency, bureau,~~
7 ~~board, commission, or establishment of the United States or any~~
8 ~~corporation wholly owned directly or indirectly by the United States;~~

9 ~~(d) Loans or extensions of credit fully secured by a segregated~~
10 ~~deposit account or accounts in the lending bank;~~

11 ~~(e) Loans or extensions of credit secured by collateral having a~~
12 ~~readily ascertained market value of at least one hundred fifteen~~
13 ~~percent of the outstanding amount of the loan or extension of credit;~~

14 ~~(f) Loans or extensions of credit secured by bills of lading,~~
15 ~~warehouse receipts, or similar documents transferring or securing title~~
16 ~~to readily marketable staples shall be subject to a limitation of~~
17 ~~thirty five percent of capital and surplus in addition to the general~~
18 ~~limitations, if the market value of the staples securing each~~
19 ~~additional loan or extension of credit at all times equals or exceeds~~
20 ~~one hundred fifteen percent of the outstanding amount of the loan or~~
21 ~~extension of credit. The staples shall be fully covered by insurance~~
22 ~~whenever it is customary to insure the staples;~~

23 ~~(g) The purchase of bankers' acceptances of the kind described in~~
24 ~~section 13 of the federal reserve act and issued by other banks shall~~
25 ~~not be subject to any limitation based on capital and surplus;~~

26 ~~(h) The unpaid purchase price of a sale of bank property, if~~
27 ~~secured by such property)) A loan or extension of credit made by a bank~~
28 ~~or trust company does not violate this section if the loan or extension~~
29 ~~of credit would qualify for an exception to the lending limit for a~~
30 ~~national bank under rules adopted by the United States office of the~~
31 ~~comptroller of the currency, or successor federal agency with authority~~
32 ~~over national banks and federal savings associations.~~

33 (2) For the purposes of this section, (~~"capital" shall include the~~
34 ~~amount of common stock outstanding and unimpaired, the amount of~~
35 ~~preferred stock outstanding and unimpaired, and capital notes or~~
36 ~~debentures issued pursuant to chapter 30.36 RCW.~~

37 ~~(3) For the purposes of this section, "surplus" shall include~~

1 capital surplus, reflecting the amounts paid in excess of the par or
2 stated value of capital stock, or amounts contributed to the bank other
3 than for capital stock, and undivided profits.

4 (4) For the purposes of this section, "person" includes an
5 individual, sole proprietor, partnership, joint venture, association,
6 trust, estate, business trust, corporation, sovereign government or
7 agency, instrumentality, or political subdivision thereof, or any
8 similar entity or organization)) the terms "borrower," "capital and
9 surplus," "derivative transaction," "loans and extensions of credit,"
10 and "person" shall have the same meaning as those terms are defined in
11 section 32.2 of Title 12 of the United States code of federal
12 regulations, 12 C.F.R. Sec. 32.2, except that "loans and extensions of
13 credit" also includes repurchase agreements, reverse repurchase
14 agreements, securities lending transactions, or securities borrowing
15 transactions between a bank and a borrower if the federal deposit
16 insurance corporation requires such treatment for a state insured bank
17 or the board of governors of the federal reserve system requires such
18 treatment for member state banks.

19 ((+5)) (3) The director may prescribe rules to administer and
20 carry out the purposes of this section, including without limitation
21 rules (a) to define or further define terms used in this section
22 ((and)), (b) to establish limits or requirements other than those
23 specified in this section for particular classes or categories of loans
24 ((or)) and extensions of credit, ((and)) (c) to determine when a loan
25 putatively made to a person shall, for purposes of this section, be
26 attributed to another person, (d) to set standards for computation of
27 time in relation to determining limits on loans and extensions of
28 credit, and (e) to implement and incorporate other changes in limits on
29 loans and extensions of credit necessary to conform to federal statute
30 and rule required or otherwise authorized by this section. In adopting
31 the rules, the director shall be guided by rulings of the United States
32 comptroller of the currency, or successor federal banking regulator,
33 that govern ((lending)) limits on loans and extensions of credit
34 applicable to national banks and federal savings associations. In lieu
35 of the adoption by the department of a rule applicable to specific
36 types of transactions, a bank, unless otherwise approved by the
37 director, shall conform to all applicable rulings of the comptroller of
38 the currency, or successor federal banking regulator, which ((+a)) (i)

1 relate to national banks and federal savings associations, ((+b+)) (ii)
2 govern such specific types of transactions or circumstances, and
3 ((+e+)) (iii) are consistent with this section and the department's
4 adopted rules.

5 (4)(a) A loan or extension of credit that was within the limit on
6 loans and extensions of credit when made is not a violation but will be
7 treated as nonconforming if the loan or extension of credit is no
8 longer in conformity with the bank's or trust company's limit on loans
9 and extensions of credit because:

10 (i) The bank's or trust company's capital has declined, borrowers
11 have subsequently merged or formed a common enterprise, lenders have
12 merged, or the limit on loans and extensions of credit or capital rules
13 have changed; or

14 (ii) Collateral securing the loan or extension of credit, in order
15 to satisfy the requirements of an exception to the limit, has declined
16 in value.

17 (b) A bank or trust company shall make reasonable efforts to bring
18 a loan or extension of credit that is nonconforming under (a)(i) of
19 this subsection into conformity with the bank's or trust company's
20 limit on loans and extensions of credit unless to do so would be
21 inconsistent with safe and sound banking practices.

22 (c) A bank or trust company must bring a loan or extension of
23 credit that is nonconforming under (a)(ii) of this subsection into
24 conformity with the bank's limit on loans and extensions of credit
25 within thirty calendar days, except when judicial proceedings,
26 regulatory actions, or other extraordinary circumstances beyond the
27 bank's or trust company's control prevent the bank or trust company
28 from taking action.

29 (d) Notwithstanding any provision of this subsection (4), the
30 director may by rule or interpretation prescribe standards for
31 treatment of nonconforming extensions of credit that are derivatives
32 transactions, repurchase agreements, reverse repurchase agreements,
33 securities lending transactions, or securities borrowing transactions,
34 and may, if required for state insured banks or member state banks,
35 rely upon rules or interpretations of the federal deposit insurance
36 corporation or the board of governors of the federal reserve system, as
37 applicable.

1 (5) Notwithstanding any provision of this section to the contrary,
2 in the event that a bank's capital declines sufficiently to seriously
3 impair the bank's ability to effectively operate in its marketplace or
4 serve the needs of its customers or the community in which it is
5 located, the director may, upon written application and in the exercise
6 of the director's discretion, grant the bank temporary permission to
7 fund loans and extensions of credit in excess of the bank's limit on
8 loans and extensions of credit under this section. In the exercise of
9 discretion, the director may further specify conditions for granting
10 such emergency exception and may limit emergency lending authority
11 under this section to particular types or classes of loans and
12 extensions of credit.

13 (6) Notwithstanding any provision of this section to the contrary,
14 the director, in the exercise of discretion, may grant an exception to
15 the limit on loans and extensions of credit otherwise required by this
16 section, based on extenuating facts and circumstances. In deciding
17 whether to grant an exception under this subsection, the director shall
18 consider:

19 (a) The proposed transaction for which the exception is sought;

20 (b) How the requested exception would affect the capital adequacy
21 and safety and soundness of the requesting bank if the exception is not
22 granted or, if the exception is granted, if the proposed borrower
23 should ultimately default;

24 (c) How the requested exception would affect the loan portfolio
25 diversification of the requesting bank;

26 (d) The competency of management to handle the proposed transaction
27 and any resulting safety and soundness issues;

28 (e) The marketability and value of the proposed collateral; and

29 (f) The extenuating facts and circumstances that warrant an
30 exception in light of the purpose of limit on loans and extensions of
31 credit set forth in this section.

32 **Sec. 4.** RCW 30.04.215 and 2010 c 88 s 12 are each amended to read
33 as follows:

34 (1) Notwithstanding any other provisions of law, in addition to all
35 powers enumerated by this title, and those necessarily implied
36 therefrom, a bank or trust company may engage in other business
37 activities that have been determined by the board of governors of the

1 federal reserve system or by the United States Congress to be closely
2 related to the business of banking, as of ~~((July-27,-2003))~~ the
3 effective date of this section.

4 (2) A bank or trust company that desires to perform an activity
5 that is not expressly authorized by subsection (1) of this section
6 shall first apply to the director for authorization to conduct such
7 activity. Within thirty days of the receipt of this application, the
8 director shall determine whether the activity is closely related to the
9 business of banking, whether the public convenience and advantage will
10 be promoted, whether the activity is apt to create an unsafe and
11 unsound practice by the bank or trust company and whether the applicant
12 is capable of performing such an activity. If the director finds the
13 activity to be closely related to the business of banking and the bank
14 or trust company is otherwise qualified, he or she shall immediately
15 inform the applicant that the activity is authorized. If the director
16 determines that such activity is not closely related to the business of
17 banking or that the bank or trust company is not otherwise qualified,
18 he or she shall promptly inform the applicant in writing. The
19 applicant shall have the right to appeal from an unfavorable
20 determination in accordance with the procedures of the Administrative
21 Procedure Act, chapter 34.05 RCW. In determining whether a particular
22 activity is closely related to the business of banking, the director
23 shall be guided by the rulings of the board of governors of the federal
24 reserve system and the comptroller of the currency in making
25 determinations in connection with the powers exercisable by bank
26 holding companies, and the activities performed by other commercial
27 banks or their holding companies.

28 (3) Notwithstanding any restrictions, limitations, and requirements
29 of law, in addition to all powers, express or implied, that a bank ~~((or~~
30 ~~trust company))~~ has under the laws of this state, a bank ~~((or trust~~
31 ~~company))~~ shall have ~~((each and every power and authority))~~ the powers
32 and authorities conferred as of July 28, 1985, or as of any subsequent
33 date not later than ~~((July-27,-2003))~~ the effective date of this
34 section, upon any federally chartered bank doing business in this
35 state. A bank ~~((or trust company))~~ may exercise the powers and
36 authorities conferred on a federally chartered bank after ~~((July-27,~~
37 ~~2003))~~ the effective date of this section, only if the director finds
38 that the exercise of such powers and authorities:

1 (a) Serves the convenience and advantage of depositors, borrowers,
2 or the general public; and

3 (b) Maintains the fairness of competition and parity between state-
4 chartered banks (~~(or trust companies)~~) and federally chartered banks.

5 (4) Notwithstanding any other provisions of law, a bank has the
6 powers and authorities that an out-of-state state bank operating a
7 branch in Washington has if the director finds that the exercise of
8 such powers and authorities serves the convenience and advantage of
9 depositors and borrowers, or the general public, and maintains the
10 fairness of competition and parity between state-chartered banks and
11 out-of-state state banks.

12 (5) As used in this section, "powers and authorities" include
13 without limitation powers and authorities in corporate governance and
14 operational matters.

15 (~~(+5)~~) (6) The restrictions, limitations, and requirements
16 applicable to specific powers (~~(or)~~) and authorities of federally
17 chartered banks and out-of-state state banks, as applicable, shall
18 apply to banks (~~(or trust companies)~~) exercising those powers (~~(or)~~)
19 and authorities permitted under this (~~(subsection)~~) section but only
20 insofar as the restrictions, limitations, and requirements relate to
21 exercising the powers (~~(or)~~) and authorities granted banks (~~(or trust~~
22 ~~companies)~~) solely under this (~~(subsection)~~) section.

23 (~~(+6)~~) (7) The director may require a bank (~~(or trust company)~~) to
24 provide notice to the director prior to implementation of a plan to
25 develop, improve, or continue holding real estate, including
26 capitalized and operating leases, acquired through any means in full or
27 partial satisfaction of a debt previously contracted, under
28 circumstances which a national bank would be required to provide notice
29 to the comptroller of the currency prior to implementation of such a
30 plan. The director may adopt rules or issue orders, directives,
31 standards, policies, memoranda, or other official communications to
32 specify guidance with regard to the exercise of the powers and
33 authorities to expend such funds as are needed to enable a bank or
34 trust company to recover its total investment to the fullest extent
35 authorized for a national bank under the national bank act, 12 U.S.C.
36 Sec. 29.

37 (~~(+7)~~) (8) Any activity which may be performed by a bank or trust

1 company, except the taking of deposits, may be performed by (a) a
2 corporation or (b) another entity approved by the director, which in
3 either case is owned in whole or in part by the bank or trust company.

4 **Sec. 5.** RCW 30.04.217 and 2010 c 88 s 13 are each amended to read
5 as follows:

6 (1) Notwithstanding any other provisions of law, in addition to all
7 powers, express or implied, that a bank (~~(or trust company)~~) has under
8 the laws of this state, a bank (~~(or trust company)~~) shall have the
9 powers and authorities conferred upon a savings bank under Title 32
10 RCW(~~(, only if:~~

11 ~~(a) The bank or trust company notifies the director at least thirty~~
12 ~~days prior to the exercise of such power or authority by the bank or~~
13 ~~trust company, unless the director waives or modifies this requirement~~
14 ~~for notice as to the exercise of a power, authority, or category of~~
15 ~~powers or authorities by the bank or trust company;~~

16 ~~(b) The director finds that the exercise of such powers and~~
17 ~~authorities by the bank or by the trust company serves the convenience~~
18 ~~and advantage of depositors, borrowers, or the general public; and~~

19 ~~(c) The director finds that the exercise of such powers and~~
20 ~~authorities by the bank or by the trust company maintains the fairness~~
21 ~~of competition and parity between banks or trust companies and mutual~~
22 ~~savings banks)).~~

23 (2) As used in this section, "powers and authorities" include
24 without limitation powers and authorities in corporate governance and
25 operational matters.

26 (3) The restrictions, limitations, and requirements applicable to
27 specific powers (~~(or)~~) and authorities of (~~(mutual)~~) savings banks
28 shall apply to banks (~~(or trust companies)~~) exercising those powers
29 (~~(or)~~) and authorities permitted under this section but only insofar as
30 the restrictions, limitations, and requirements relate to exercising
31 the powers (~~(or)~~) and authorities granted banks (~~(or trust companies)~~)
32 solely under this section.

33 **Sec. 6.** RCW 30.04.240 and 2003 c 53 s 184 are each amended to read
34 as follows:

35 (1) (~~(Every corporation doing)~~) A person authorized under this
36 title to engage in a trust business shall maintain in its office a

1 trust department in which it shall keep books and accounts of its trust
2 business, separate and apart from its other business. Such books and
3 accounts shall specify the cash, securities and other properties, real
4 and personal, held in each trust, and such securities and properties
5 shall be at all times segregated from all other securities and
6 properties except as otherwise provided in this section.

7 (2) Any person connected with a bank or trust company who shall,
8 contrary to this section or any other provision of law, commingle any
9 funds or securities of any kind held by such corporation in trust, for
10 safekeeping or as agent for another, with the funds or assets of the
11 corporation is guilty of a class B felony punishable according to
12 chapter 9A.20 RCW.

13 (3) Notwithstanding any other provisions of law, any fiduciary
14 holding securities in its fiduciary capacity or any state bank,
15 national bank, or trust company holding securities as fiduciary or as
16 custodian for a fiduciary is authorized to deposit or arrange for the
17 deposit of such securities: (a) In a clearing corporation (as defined
18 in Article 8 of the Uniform Commercial Code, chapter 62A.8 RCW); (b)
19 within another state bank, national bank, or trust company having trust
20 power whether located inside or outside of this state; or (c) within
21 itself. When such securities are so deposited, certificates
22 representing securities of the same class of the same issuer may be
23 merged and held in bulk in the name of the nominee of such clearing
24 corporation or state bank, national bank, or trust company holding the
25 securities as the depository, with any other such securities deposited
26 in such clearing corporation or depository by any person, regardless of
27 the ownership of such securities, and certificates of small
28 denomination may be merged into one or more certificates of larger
29 denomination. The records of such fiduciary and the records of such
30 state bank, national bank, or trust company as a fiduciary or as
31 custodian for a fiduciary shall at all times show the name of the party
32 for whose account the securities are so deposited. Ownership of, and
33 other interests in, such securities may be transferred by bookkeeping
34 entries on the books of such clearing corporation, state bank, national
35 bank, or trust company without physical delivery or alteration of
36 certificates representing such securities. A state bank, national
37 bank, or trust company so depositing securities pursuant to this
38 section shall be subject to such rules and regulations as, in the case

1 of state chartered banks and trust companies, the director and, in the
2 case of national banking associations, the comptroller of the currency
3 may from time to time issue. A state bank, national bank, or trust
4 company acting as custodian for a fiduciary shall, on demand by the
5 fiduciary, certify in writing to the fiduciary the securities so
6 deposited by such state bank, national bank, or trust company in such
7 clearing corporation or state bank, national bank, or trust company
8 acting as such depository for the account of such fiduciary. A
9 fiduciary shall, on demand by any party to a judicial proceeding for
10 the settlement of such fiduciary's account or on demand by the attorney
11 for such party, certify in writing to such party the securities
12 deposited by such fiduciary in such clearing corporation or state bank,
13 national bank, or trust company acting as such depository for its
14 account as such fiduciary.

15 This subsection shall apply to any fiduciary holding securities in
16 its fiduciary capacity, and to any state bank, national bank, or trust
17 company holding securities as a custodian, managing agent, or custodian
18 for a fiduciary, acting on March 14, 1973 or who thereafter may act
19 regardless of the date of the agreement, instrument, or court order by
20 which it is appointed and regardless of whether or not such fiduciary,
21 custodian, managing agent, or custodian for a fiduciary owns capital
22 stock of such clearing corporation.

23 **Sec. 7.** RCW 30.04.260 and 2003 c 53 s 185 are each amended to read
24 as follows:

25 (1) No (~~(trust company or other corporation)~~) person, other than an
26 attorney-at-law or law firm as permitted by other law, which advertises
27 that it will furnish legal advice, construct or prepare wills, or do
28 other legal work for its customers, shall be permitted to act as
29 executor, administrator, or guardian; and (~~(any trust company or other~~
30 ~~corporation)~~) such person whose officers or agents shall solicit legal
31 business shall be ineligible for a period of one year thereafter to be
32 appointed executor, administrator, or guardian in any of the courts of
33 this state.

34 (2) Any person authorized under this title to engage in a trust
35 (~~(company or other corporation)~~) business, which advertises that it
36 will furnish legal advice, construct or prepare wills, or do other

1 legal work for its customers, and any officer, agent, or employee of
2 (~~any trust company or corporation~~) such person who shall solicit
3 legal business is guilty of a gross misdemeanor.

4 **Sec. 8.** RCW 30.04.280 and 1998 c 45 s 1 are each amended to read
5 as follows:

6 (1)(a) No person shall engage in banking except in compliance with
7 and subject to the provisions of this title, unless it is a national
8 bank or except insofar as it may be authorized so to do by the laws of
9 this state relating to (~~mutual~~) savings banks or savings and loan
10 associations.

11 (b) A (~~corporation~~) person shall not engage in a trust business
12 except in compliance with and subject to the provisions of this title.
13 This subsection (1)(b) does not apply to: (i) An individual, sole
14 proprietor, general partnership, or joint venture composed of
15 individuals; (ii) a person conducting business as an attorney-at-law or
16 law firm; or (iii) a court-appointed guardian, conservator, trustee, or
17 receiver.

18 (c) A bank shall not engage in a trust business except as
19 authorized under this title.

20 (d) A bank or trust company shall not establish any branch except
21 in accordance with the provisions of this title.

22 (e) Except as authorized by federal law or by another law of this
23 state, a nondepository trust company incorporated under the laws of
24 another state(~~, a national trust company or national bank the main~~
25 ~~office of which is located in such other state, or a federal savings~~
26 ~~bank the home office of which is located in such other state,)~~) shall
27 not be permitted to engage in a trust business in this state on more
28 favorable terms and conditions than the terms and conditions on which
29 trust companies incorporated under this chapter and (~~mutual~~) savings
30 banks engaged in trust business under RCW 32.08.140, 32.08.142,
31 32.08.210, and 32.08.215 are permitted to engage in trust business in
32 such other state.

33 (2) Notwithstanding any other provision of this section, the
34 director may by rule or order prohibit any person from engaging in a
35 trust business in this state contrary to the requirements of this title
36 if the conduct of the trust business in this state by such person harms
37 or is likely to harm the general public, or if it adversely affects the

1 business of trust companies operating in this state. The director may
2 issue a temporary cease and desist order against such person in the
3 manner provided for in RCW 30.04.455 if the general public or trust
4 companies are likely to be substantially injured by delay in issuing a
5 cease and desist order. An order or rule made by the director pursuant
6 to this subsection may require that any applicable person obtain a
7 trust company charter under this title as a condition of continuing to
8 engage in a trust business in this state, subject to meeting all
9 qualifications for grant of a trust company charter under this title.
10 This subsection does not apply to a person conducting business as an
11 attorney-at-law or law firm or to a court-appointed guardian,
12 conservator, trustee, or receiver.

13 **Sec. 9.** RCW 30.08.140 and 1996 c 2 s 5 are each amended to read as
14 follows:

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

18 (1) To adopt and use a corporate seal((~~-~~))i

19 (2) To have perpetual succession((~~-~~))i

20 (3) To make contracts((~~-~~))i

21 (4) To sue and be sued, the same as a natural person((~~-~~))i

22 (5) To elect directors who, subject to the provisions of the
23 corporation's bylaws, shall have power to appoint such officers as may
24 be necessary or convenient, to define their powers and duties and to
25 dismiss them at pleasure, and who shall also have general supervision
26 and control of the affairs of such corporation((~~-~~))i

27 (6) To make and alter bylaws, not inconsistent with its articles of
28 incorporation or with the laws of this state, for the administration
29 and regulation of its affairs((~~-~~))i

30 (7) To invest and reinvest its funds in marketable obligations
31 evidencing the indebtedness of any person, copartnership, association,
32 or corporation in the form of bonds, notes, or debentures commonly
33 known as investment securities except as may by regulation be limited
34 by the director((~~-~~))i

35 (8) To discount and negotiate promissory notes, drafts, bills of
36 exchange and other evidences of debt, to receive deposits of money and

1 commercial paper, to lend money secured or unsecured, to issue all
2 forms of letters of credit, to buy and sell bullion, coins and bills of
3 exchange((~~-~~));i

4 (9) To take and receive as bailee for hire upon terms and
5 conditions to be prescribed by the corporation, for safekeeping and
6 storage, jewelry, plate, money, specie, bullion, stocks, bonds,
7 mortgages, securities and valuable paper of any kind and other valuable
8 personal property, and to rent vaults, safes, boxes and other
9 receptacles for safekeeping and storage of personal property((~~-~~));i

10 (10) If the bank be located in a city of not more than five
11 thousand inhabitants, to act as insurance agent. A bank exercising
12 this power may continue to act as an insurance agent notwithstanding a
13 change of the population of the city in which it is located((~~-~~));i

14 (11) To accept drafts or bills of exchange drawn upon it having not
15 more than six months sight to run, which grow out of transactions
16 involving the importation or exportation of goods; or which grow out of
17 transactions involving the domestic shipment of goods, providing
18 shipping documents conveying or securing title are attached at the time
19 of acceptance; or which are secured at the time of acceptance by a
20 warehouse receipt or other such document conveying or securing title to
21 readily marketable staples. No bank shall accept, either in a foreign
22 or a domestic transaction, for any one person, company, firm or
23 corporation, to an amount equal at any one time in the aggregate to
24 more than ten percent of its paid up and unimpaired capital stock and
25 surplus unless the bank is secured by attached documents or by some
26 other actual security growing out of the same transaction as the
27 acceptance; and no bank shall accept such bills to an amount equal at
28 any time in the aggregate to more than one-half of its paid up and
29 unimpaired capital stock and surplus: PROVIDED, HOWEVER, That the
30 director, under such general regulations applicable to all banks
31 irrespective of the amount of capital or surplus, as the director may
32 prescribe may authorize any bank to accept such bills to an amount not
33 exceeding at any time in the aggregate one hundred percent of its paid
34 up and unimpaired capital stock and surplus: PROVIDED, FURTHER, That
35 the aggregate of acceptances growing out of domestic transactions shall
36 in no event exceed fifty percent of such capital stock and
37 surplus((~~-~~));i

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

25 (13) To have and exercise all powers necessary or convenient to
26 effect its purposes((~~-~~));

27 (14) To serve as custodian of an individual retirement account and
28 pension and profit sharing plans qualified under internal revenue code
29 section 401(a), the assets of which are invested in deposits of the
30 bank or trust company or are invested, pursuant to directions from the
31 customer owning the account, in securities traded on a national
32 securities market: PROVIDED, That the bank or trust company shall
33 accept no investment responsibilities over the account unless it is
34 granted trust powers by the director((~~-~~));

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

37 ~~((16) To exercise any other power or authority permissible under
38 applicable state or federal law conducted by out of state state banks~~

1 ~~with branches in Washington to the same extent if, in the opinion of~~
2 ~~the director, those powers and authorities affect the operations of~~
3 ~~banking in Washington or affect the delivery of financial services in~~
4 ~~Washington.))~~

5 **Sec. 10.** RCW 30.08.140 and 2011 c 303 s 7 are each amended to read
6 as follows:

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

- 10 (1) To adopt and use a corporate seal((~~-~~))i
- 11 (2) To have perpetual succession((~~-~~))i
- 12 (3) To make contracts((~~-~~))i
- 13 (4) To sue and be sued, the same as a natural person((~~-~~))i
- 14 (5) To elect directors who, subject to the provisions of the
15 corporation's bylaws, shall have power to appoint such officers as may
16 be necessary or convenient, to define their powers and duties and to
17 dismiss them at pleasure, and who shall also have general supervision
18 and control of the affairs of such corporation((~~-~~))i
- 19 (6) To make and alter bylaws, not inconsistent with its articles of
20 incorporation or with the laws of this state, for the administration
21 and regulation of its affairs((~~-~~))i
- 22 (7) To invest and reinvest its funds in marketable obligations
23 evidencing the indebtedness of any person, copartnership, association,
24 or corporation in the form of bonds, notes, or debentures commonly
25 known as investment securities except as may by regulation be limited
26 by the director((~~-~~))i
- 27 (8) To discount and negotiate promissory notes, drafts, bills of
28 exchange and other evidences of debt, to receive deposits of money and
29 commercial paper, to lend money secured or unsecured, to issue all
30 forms of letters of credit, to buy and sell bullion, coins and bills of
31 exchange((~~-~~))i
- 32 (9) To take and receive as bailee for hire upon terms and
33 conditions to be prescribed by the corporation, for safekeeping and
34 storage, jewelry, plate, money, specie, bullion, stocks, bonds,
35 mortgages, securities and valuable paper of any kind and other valuable
36 personal property, and to rent vaults, safes, boxes and other
37 receptacles for safekeeping and storage of personal property((~~-~~))i

1 (10) If the bank be located in a city of not more than five
2 thousand inhabitants, to act as insurance agent. A bank exercising
3 this power may continue to act as an insurance agent notwithstanding a
4 change of the population of the city in which it is located((~~-~~));i

5 (11) To accept drafts or bills of exchange drawn upon it having not
6 more than six months sight to run, which grow out of transactions
7 involving the importation or exportation of goods; or which grow out of
8 transactions involving the domestic shipment of goods, providing
9 shipping documents conveying or securing title are attached at the time
10 of acceptance; or which are secured at the time of acceptance by a
11 warehouse receipt or other such document conveying or securing title to
12 readily marketable staples. No bank shall accept, either in a foreign
13 or a domestic transaction, for any one person, company, firm or
14 corporation, to an amount equal at any one time in the aggregate to
15 more than ten percent of its paid up and unimpaired capital stock and
16 surplus unless the bank is secured by attached documents or by some
17 other actual security growing out of the same transaction as the
18 acceptance; and no bank shall accept such bills to an amount equal at
19 any time in the aggregate to more than one-half of its paid up and
20 unimpaired capital stock and surplus: PROVIDED, HOWEVER, That the
21 director, under such general regulations applicable to all banks
22 irrespective of the amount of capital or surplus, as the director may
23 prescribe may authorize any bank to accept such bills to an amount not
24 exceeding at any time in the aggregate one hundred percent of its paid
25 up and unimpaired capital stock and surplus: PROVIDED, FURTHER, That
26 the aggregate of acceptances growing out of domestic transactions shall
27 in no event exceed fifty percent of such capital stock and
28 surplus((~~-~~));i

29 (12) To accept drafts or bills of exchange drawn upon it, having
30 not more than three months sight to run, drawn under regulations to be
31 prescribed by the director by banks or bankers in foreign countries or
32 dependencies or insular possessions of the United States for the
33 purpose of furnishing dollar exchange as required by the usages of
34 trade in the respective countries, dependencies or insular possessions.
35 Such drafts or bills may be acquired by banks in such amounts and
36 subject to such regulations, restrictions and limitations as may be
37 provided by the director: PROVIDED, HOWEVER, That no bank shall accept
38 such drafts or bills of exchange referred to in this subdivision for

1 any one bank to an amount exceeding in the aggregate ten percent of the
2 paid up and unimpaired capital and surplus of the accepting bank unless
3 the draft or bill of exchange is accompanied by documents conveying or
4 securing title or by some other adequate security, and that no such
5 drafts or bills of exchange shall be accepted by any bank in an amount
6 exceeding at any time the aggregate of one-half of its paid up and
7 unimpaired capital and surplus: PROVIDED FURTHER, That compliance by
8 any bank which is a member of the federal reserve system of the United
9 States with the rules, regulations and limitations adopted by the
10 federal reserve board thereof with respect to the acceptance of drafts
11 or bills of exchange by members of such federal reserve system shall be
12 a sufficient compliance with the requirements of this subdivision or
13 paragraph relating to rules, regulations and limitations prescribed by
14 the director((~~-~~))i

15 (13) To have and exercise all powers necessary or convenient to
16 effect its purposes((~~-~~))i

17 (14) To serve as custodian of an individual retirement account and
18 pension and profit sharing plans qualified under internal revenue code
19 section 401(a), the assets of which are invested in deposits of the
20 bank or trust company or are invested, pursuant to directions from the
21 customer owning the account, in securities traded on a national
22 securities market: PROVIDED, That the bank or trust company shall
23 accept no investment responsibilities over the account unless it is
24 granted trust powers by the director((~~-~~))i

25 (15) To be a limited partner in a limited partnership that engages
26 in only such activities as are authorized for the bank((~~-~~))i

27 ~~((To exercise any other power or authority permissible under
28 applicable state or federal law conducted by out of state state banks
29 with branches in Washington to the same extent if, in the opinion of
30 the director, those powers and authorities affect the operations of
31 banking in Washington or affect the delivery of financial services in
32 Washington.~~

33 ~~(17))~~ To conduct a promotional contest of chance as authorized in
34 RCW 9.46.0356(1)(b), as long as the conditions of RCW 9.46.0356(5) and
35 30.22.260 are complied with to the satisfaction of the director.

36 **Sec. 11.** RCW 30.08.155 and 1998 c 45 s 2 are each amended to read
37 as follows:

1 (1) Notwithstanding any restrictions, limitations, and requirements
2 of law, in addition to all powers, express or implied, that a trust
3 company has under the laws of this state, a trust company shall have
4 the powers and authorities conferred as of June 11, 1998, upon a
5 federally chartered trust company doing business in this state. A
6 trust company may exercise the powers and authorities conferred on a
7 federally chartered trust company after this date only if the director
8 finds that the exercise of such powers and authorities:

9 (~~(1)~~) (a) Serves the convenience and advantage of trustors and
10 beneficiaries, or the general public; and

11 (~~(2)~~) (b) Maintains the fairness of competition and parity
12 between state-chartered trust companies and federally chartered trust
13 companies.

14 (2) Notwithstanding any other provisions of law, a trust company
15 has the powers and authorities that an out-of-state state trust company
16 conducting trust business in Washington has if the director finds that
17 the exercise of such powers and authorities serves the convenience and
18 advantage of trustors and beneficiaries, or the general public, and
19 maintains the fairness of competition and parity between state-
20 chartered trust companies and out-of-state state trust companies.

21 (3) As used in this section, "powers and authorities" include
22 without limitation powers and authorities in corporate governance and
23 operational matters.

24 (4) The restrictions, limitations, and requirements applicable to
25 specific powers (~~(e)~~) and authorities of federally chartered trust
26 companies and out-of-state state trust companies, as applicable, shall
27 apply to trust companies exercising those powers or authorities
28 permitted under this section but only insofar as the restrictions,
29 limitations, and requirements relate to exercising the powers or
30 authorities granted trust companies solely under this section.

31 **Sec. 12.** RCW 30.38.010 and 2005 c 348 s 2 are each amended to read
32 as follows:

33 (1) An out-of-state bank may engage in banking in this state
34 without violating RCW 30.04.280 only if the conditions and filing
35 requirements of this chapter are met and the bank was lawfully engaged
36 in banking in this state on (~~June 6, 1996~~) July 22, 2010, or the
37 bank's in-state banking activities:

1 (a) Resulted from an interstate combination pursuant to RCW
2 30.49.125 or 32.32.500;

3 (b) Resulted from a relocation of a head office of a state bank
4 pursuant to 12 U.S.C. Sec. 30 and RCW 30.04.215(3);

5 (c) Resulted from a relocation of a main office of a national bank
6 pursuant to 12 U.S.C. Sec. 30;

7 (d) Resulted from the establishment of a branch of a savings bank
8 in compliance with RCW 32.04.030(~~(+2)~~) (6); or

9 (e) Resulted from interstate branching under RCW 30.38.015.

10 Nothing in this section affects the authorities of alien banks as
11 defined by RCW 30.42.020 to engage in banking within this state.

12 (2) The director, consistent with 12 U.S.C. Sec. 1831u(b)(2)(D),
13 may approve an interstate combination if the standard on which the
14 approval is based does not discriminate against out-of-state banks,
15 out-of-state bank holding companies, or subsidiaries of those banks or
16 holding companies.

17 **Sec. 13.** RCW 30.38.015 and 2005 c 348 s 3 are each amended to read
18 as follows:

19 (1) An out-of-state bank that does not have a branch in Washington
20 may, under this chapter, establish and maintain:

21 (a) A de novo branch in this state; or

22 (b) A branch in this state through the acquisition of a branch.

23 (2) An out-of-state bank desiring to establish and maintain a de
24 novo branch or to acquire a branch in this state shall provide written
25 application of the proposed transaction to the director, accompanied by
26 the fee prescribed by the director, not later than three days after the
27 date of filing with the responsible federal bank supervisory agency for
28 approval to establish or acquire the branch.

29 (3) Subject to the conditions of this chapter, the director (~~may~~
30 ~~not~~) shall approve an application under subsection (2) of this section
31 (~~unless it is found that:~~

32 ~~(a) In the case of a de novo branch, the laws of the home state of~~
33 ~~the out-of-state bank permit Washington banks to establish and maintain~~
34 ~~de novo branches in that state under substantially the same, or at~~
35 ~~least as favorable, terms and conditions as set forth in this chapter;~~
36 ~~or~~

1 ~~(b) In the case of a branch established through the acquisition of~~
2 ~~a branch, the laws of the home state of the out-of-state bank permit~~
3 ~~Washington banks to establish and maintain branches in that state~~
4 ~~through the acquisition of branches under terms and conditions that are~~
5 ~~substantially the same, or at least as favorable, as set forth in this~~
6 ~~chapter)) if the out-of-state bank would be permitted to establish or~~
7 ~~acquire a branch in Washington state if it were a bank chartered in~~
8 ~~Washington state.~~

9 **Sec. 14.** RCW 30.46.020 and 1994 c 92 s 134 are each amended to
10 read as follows:

11 (1) If upon examination or at any other time it appears to the
12 director that any bank or trust company is in an unsafe condition and
13 its condition is such as to render the continuance of its business
14 hazardous to the public or to its depositors and creditors, or if such
15 bank or trust company appears to have exceeded its powers or has failed
16 to comply with the law, or if such bank or trust company gives its
17 consent, then the director shall upon his or her determination ((+1))
18 (a) notify the bank or trust company of his or her determination, and
19 ((+2)) (b) furnish to the bank or trust company a written list of the
20 director requirements to abate his or her determination, and ((+3))
21 (c) if the director makes further determination to directly supervise,
22 ((he or she shall)) notify the bank or trust company that it is under
23 the supervisory direction of the director and that the director is
24 invoking the provisions of this chapter. If placed under supervisory
25 direction the bank or trust company shall comply with the lawful
26 requirements of the director within such time as provided in the notice
27 of the director, subject however, to the provisions of this chapter.
28 If the bank or trust company fails to comply within such time the
29 director may appoint a conservator as hereafter provided.

30 (2) A person appointed as conservator by the director pursuant to
31 this chapter is immune from criminal, civil, and administrative
32 liability for any act done in good faith in the performance of the
33 duties of conservator.

34 **Sec. 15.** RCW 30.46.030 and 1994 c 92 s 135 are each amended to
35 read as follows:

36 During the period of supervisory direction the director may appoint

1 a representative to supervise such bank or trust company and may
2 provide that the bank or trust company may not do any of the following
3 during the period of supervisory direction, without the prior approval
4 of the director or the appointed representative((-)):

5 (1) Dispose of, convey, or encumber any of the assets, excluding
6 trust assets under management;

7 (2) Withdraw any of its bank accounts;

8 (3) Lend any of its funds;

9 (4) Invest any of its funds;

10 (5) Transfer any of its property; or

11 (6) Incur any debt, obligation, or liability.

12 **Sec. 16.** RCW 30.46.040 and 1994 c 92 s 136 are each amended to
13 read as follows:

14 After the period of supervisory direction specified by the director
15 for compliance, if he or she determines that such bank or trust company
16 has failed to comply with the lawful requirements imposed, upon due
17 notice and hearing or by consent of the bank, the director may appoint
18 a conservator, who shall immediately take charge of such bank or trust
19 company and all of its property, books, records, and effects. The
20 conservator shall conduct the business of the bank or trust company and
21 take such steps toward the removal of the causes and conditions which
22 have necessitated such order, as the director may direct. During the
23 pendency of the conservatorship the conservator shall make such reports
24 to the director from time to time as may be required by the director,
25 and shall be empowered to take all necessary measures to preserve,
26 protect, and recover any assets or property of such bank or trust
27 company, including claims or causes of actions belonging to or which
28 may be asserted by such bank, and to deal with the same in his or her
29 own name as conservator, and shall be empowered to file, prosecute, and
30 defend any suit and suits which have been filed or which may thereafter
31 be filed by or against such bank or trust company which are deemed by
32 the conservator to be necessary to protect all of the interested
33 parties for a property affected thereby. The director, or any newly
34 appointed assistant, may be appointed to serve as conservator. If the
35 director, however, is satisfied that such bank or trust company is not
36 in condition to continue business in the interest of its (~~depositors~~

1 ~~or creditors~~) customers under the conservator as above provided, the
2 director may proceed with appropriate remedies provided by other
3 provisions of this title.

4 **Sec. 17.** RCW 30.46.050 and 1994 c 92 s 137 are each amended to
5 read as follows:

6 All costs incident to supervisory direction and the conservatorship
7 shall be fixed and determined by the director and shall be a charge
8 against the assets of the bank or trust company, excluding trust assets
9 under management, to be allowed and paid as the director may determine.

10 **Sec. 18.** RCW 30.46.060 and 1994 c 92 s 138 are each amended to
11 read as follows:

12 During the period of the supervisory direction and during the
13 period of conservatorship, the bank or trust company may request the
14 director to review an action taken or proposed to be taken by the
15 representative or conservator; specifying wherein the action complained
16 of is believed not to be in the best interest of the bank or trust
17 company, and such request shall stay the action specified pending
18 review of such action by the director. Any order entered by the
19 director appointing a representative and providing that the bank or
20 trust company shall not do certain acts as provided in RCW 30.46.030
21 and 30.46.040, any order entered by the director appointing a
22 conservator, and any order by the director following the review of an
23 action of the representative or conservator as herein above provided
24 shall be subject to review in accordance with the administrative
25 procedure act of the state of Washington.

26 **Sec. 19.** RCW 30.46.070 and 1994 c 92 s 139 are each amended to
27 read as follows:

28 Any suit filed against a bank or its conservator or a trust company
29 or its conservator, after the entrance of an order by the director
30 placing such bank or trust company in conservatorship and while such
31 order is in effect, shall be brought in the superior court of Thurston
32 county and not elsewhere. The conservator appointed hereunder for such
33 bank or trust company may file suit in any superior court or other
34 court of competent jurisdiction against any person for the purpose of

1 preserving, protecting, or recovering any asset or property of such
2 bank or trust company including claims or causes of action belonging to
3 or which may be asserted by such bank.

4 **Sec. 20.** RCW 30.46.080 and 1975 1st ex.s. c 87 s 8 are each
5 amended to read as follows:

6 The conservator shall serve for such time as is necessary to
7 accomplish the purposes of the conservatorship as intended by this
8 chapter. If rehabilitated, the rehabilitated bank or trust company
9 shall be returned to management or new managements under such
10 conditions as are reasonable and necessary to prevent recurrence of the
11 condition which occasioned the conservatorship.

12 **Sec. 21.** RCW 30.46.090 and 1994 c 92 s 140 are each amended to
13 read as follows:

14 If the director determines to act under authority of this chapter,
15 the sequence of his or her acts and proceedings shall be as set forth
16 in this chapter. However, it is the purpose and substance of this
17 chapter to authorize administrative discretion—to allow the director
18 administrative discretion in the event of unsound banking or trust
19 company operations—and in furtherance of that purpose the director is
20 hereby authorized to proceed with regulation either under this chapter
21 or under any other applicable provisions of law or under this chapter
22 in connection with other law, either as such law is now existing or is
23 hereinafter enacted, and it is so provided.

24 **Sec. 22.** RCW 32.04.030 and 2005 c 348 s 4 are each amended to read
25 as follows:

26 (1) A savings bank may not, without the written approval of the
27 director, establish and operate branches in any place.

28 (2) A savings bank headquartered in this state desiring to
29 establish a branch shall file a written application with the director,
30 who shall approve or disapprove the application.

31 (3) The director's approval shall be conditioned on a finding that
32 the savings bank has a satisfactory record of compliance with
33 applicable laws and has a satisfactory financial condition. In making
34 such findings, the director may rely on an application in the form
35 filed with the federal deposit insurance corporation pursuant to 12

1 U.S.C. Sec. 1828(d). If the application for a branch is not approved,
2 the savings bank shall have the right to appeal in the same manner and
3 within the same time as provided by RCW 32.08.050 and 32.08.060. The
4 savings bank when delivering the application to the director shall
5 transmit to the director a check in an amount established by rule to
6 cover the expense of the investigation. A savings bank headquartered
7 in this state shall not move its headquarters or any branch more than
8 two miles from its existing location without prior approval of the
9 director. On or before the date on which it opens any office at which
10 it will transact business in any state, territory, province, or other
11 jurisdiction, a savings bank shall give written notice to the director
12 of the location of this office. No such notice shall become effective
13 until it has been delivered to the director.

14 (4) The board of trustees of a savings bank, after notice to the
15 director, may discontinue the operation of a branch. The savings bank
16 shall keep the director informed in the matter and shall notify the
17 director of the date operation of the branch is discontinued.

18 (5) A savings bank that is headquartered in this state and is
19 operating branches in another state, territory, province, or other
20 jurisdiction may provide copies of state examination reports and
21 reports of condition of the savings bank to the regulator having
22 oversight responsibility with regard to its operations in that other
23 jurisdiction, including the regulator of savings associations in the
24 event such a savings bank is transacting savings and loan business
25 pursuant to RCW 32.08.142 in that other jurisdiction.

26 (6) No savings bank headquartered in another state may establish,
27 or acquire pursuant to RCW 32.32.500, and operate branches as a savings
28 bank or foreign savings association in any place within (~~the~~) this
29 state unless:

30 (a) The savings bank has filed with the director an agreement to
31 comply with the requirements of RCW 30.38.040 for periodic reports by
32 the savings bank or by the appropriate state superintendent or
33 equivalent regulator of the savings bank under the laws of the state in
34 which the savings bank is incorporated, unless the laws expressly
35 require the provision of all the reports to the director;

36 (b) The savings bank has filed with the director (i) a duly
37 executed instrument in writing, by its terms of indefinite duration and
38 irrevocable, appointing the director and his or her successors its true

1 and lawful attorney, upon whom all process in any action or proceeding
2 against it in a cause of action arising out of business transacted by
3 such savings bank in this state, may be served with the same force and
4 effect as if it were a domestic corporation and had been lawfully
5 served with process within the state, and (ii) a written certificate of
6 designation, which may be changed from time to time by the filing of a
7 new certificate of designation, specifying the name and address of the
8 officer, agent, or other person to whom such process shall be forwarded
9 by the director;

10 (c) The savings bank has supplied the director with such
11 information as he or she shall require by rule, not to exceed the
12 information on which the director may rely in approving a branch
13 application pursuant to this section by a savings bank headquartered in
14 this state; and

15 (d) The ~~((laws of the state in which the))~~ out-of-state savings
16 bank ~~((is chartered permit savings banks chartered under this title))~~
17 would be permitted to establish or acquire~~((7))~~ and maintain branches
18 in ~~((that))~~ Washington state~~((7, under terms and conditions that are~~
19 ~~substantially the same as, or at least as favorable to, the terms and~~
20 ~~conditions for the chartering of))~~ if it were chartered as a savings
21 bank~~((s))~~ under this title.

22 ~~((7) A savings bank headquartered in another state may not~~
23 ~~establish and operate branches as a foreign savings association in any~~
24 ~~place within the state except upon compliance with chapter 33.32 RCW.~~

25 ~~(8) Notwithstanding any provision of this title to the contrary, an~~
26 ~~out-of-state depository institution may not branch in the state of~~
27 ~~Washington, unless a Washington state bank, bank holding company,~~
28 ~~savings bank, savings bank holding company, savings and loan~~
29 ~~association, or savings and loan holding company is permitted to branch~~
30 ~~in the state in which that out-of-state depository institution is~~
31 ~~chartered or in which its principal office is located, under terms and~~
32 ~~conditions that are substantially the same as, or at least as favorable~~
33 ~~to entry as, the terms and conditions for branching of savings banks~~
34 ~~under this title. As used in this subsection, "out-of-state depository~~
35 ~~institution" means a bank or bank holding company, or a converted~~
36 ~~mutual savings bank or the holding company of a mutual savings bank,~~
37 ~~which is chartered in or whose principal office is located in another~~

1 ~~state, or a savings and loan association or the holding company of a~~
2 ~~savings and loan association, which is chartered in another state.))~~

3 NEW SECTION. **Sec. 23.** A new section is added to chapter 32.04 RCW
4 to read as follows:

5 Notwithstanding any other provisions of this title, a savings bank
6 is subject to the same limits on loans and extensions of credit, and
7 exceptions thereto, as set forth in RCW 30.04.111.

8 **Sec. 24.** RCW 32.08.140 and 1999 c 14 s 17 are each amended to read
9 as follows:

10 Every (~~mutual~~) savings bank incorporated under this title shall
11 have, subject to the restrictions and limitations contained in this
12 title, the following powers:

13 (1) To receive deposits of money, to invest the same in the
14 property and securities prescribed in this title, to declare dividends
15 in the manner prescribed in this title, and to exercise by its board of
16 trustees or duly authorized officers or agents, subject to law, all
17 such incidental powers as shall be necessary to carry on the business
18 of a savings bank(~~(-)~~);

19 (2) To issue transferable certificates showing the amounts
20 contributed by any incorporator or trustee to the guaranty fund of such
21 bank, or for the purpose of paying its expenses. Every such
22 certificate shall show that it does not constitute a liability of the
23 savings bank, except as otherwise provided in this title(~~(-)~~);

24 (3) To purchase, hold and convey real property as prescribed in RCW
25 32.20.280(~~(-)~~);

26 (4) To pay depositors as hereinafter provided, and when requested,
27 pay them by drafts upon deposits to the credit of the savings bank in
28 any city in the United States, and to charge current rates of exchange
29 for such drafts(~~(-)~~);

30 (5) To borrow money in pursuance of a resolution adopted by a vote
31 of a majority of its board of trustees duly entered upon its minutes
32 whereon shall be recorded by ayes and noes the vote of each trustee,
33 for the purpose of repaying depositors, and to pledge or hypothecate
34 securities as collateral for loans so obtained. Immediate written
35 notice shall be given to the director of all amounts so borrowed, and
36 of all assets so pledged or hypothecated(~~(-)~~);

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

11 The sale of securities or loans by a bank subject to an agreement
12 to repurchase the securities or loans shall not be considered a
13 borrowing. Borrowings from federal, state, or municipal governments or
14 agencies or instrumentalities thereof shall not be subject to the
15 limits of this subsection((~~-~~))i

16 (7) To collect or protest promissory notes or bills of exchange
17 owned by such bank or held by it as collateral, and remit the proceeds
18 of the collections by drafts upon deposits to the credit of the savings
19 bank in any city in the United States, and to charge the usual rates or
20 fees for such collection and remittance for such protest((~~-~~))i

21 (8) To sell gold or silver received in payment of interest or
22 principal of obligations owned by the savings bank or from depositors
23 in the ordinary course of business((~~-~~))i

24 (9) To act as insurance agent for the purpose of writing fire
25 insurance on property in which the bank has an insurable interest, the
26 property to be located in the city in which the bank is situated and in
27 the immediate contiguous suburbs, notwithstanding anything in any other
28 statute to the contrary((~~-~~))i

29 (10) To let vaults, safes, boxes or other receptacles for the
30 safekeeping or storage of personal property, subject to laws and
31 regulations applicable to, and with the powers possessed by, safe
32 deposit companies((~~-~~))i

33 (11) To elect or appoint in such manner as it may determine all
34 necessary or proper officers, agents, boards, and committees, to fix
35 their compensation, subject to the provisions of this title, and to
36 define their powers and duties, and to remove them at will((~~-~~))i

37 (12) To make and amend bylaws consistent with law for the
38 management of its property and the conduct of its business((~~-~~))i

1 (13) To wind up and liquidate its business in accordance with this
2 title((~~-~~))i

3 (14) To adopt and use a common seal and to alter the same at
4 pleasure((~~-~~))i

5 ~~(15) ((To exercise any other power or authority permissible under
6 applicable state or federal law exercised by other savings banks or by
7 savings and loan associations with branches in Washington to the same
8 extent as those savings institutions if, in the opinion of the
9 director, the exercise of these powers and authorities by the other
10 savings institutions affects the operations of savings banks in
11 Washington or affects the delivery of financial services in Washington.~~

12 ~~(16))~~ To exercise the powers and authorities conferred by RCW
13 30.04.215((~~-~~))i

14 ~~((17))~~ (16) To exercise the powers and authorities that may be
15 carried on by a subsidiary of the ((~~mutual~~)) savings bank that has been
16 determined to be a prudent investment pursuant to RCW 32.20.380((~~-~~))i

17 ~~((18))~~ (17) To do all other acts authorized by this title((~~-~~))i

18 ~~((19))~~ (18) To exercise the powers and authorities that may be
19 exercised by an insured state bank in compliance with 12 U.S.C. Sec.
20 1831a.

21 **Sec. 25.** RCW 32.08.140 and 2011 c 303 s 8 are each amended to read
22 as follows:

23 Every ((~~mutual~~)) savings bank incorporated under this title shall
24 have, subject to the restrictions and limitations contained in this
25 title, the following powers:

26 (1) To receive deposits of money, to invest the same in the
27 property and securities prescribed in this title, to declare dividends
28 in the manner prescribed in this title, and to exercise by its board of
29 trustees or duly authorized officers or agents, subject to law, all
30 such incidental powers as shall be necessary to carry on the business
31 of a savings bank((~~-~~))i

32 (2) To issue transferable certificates showing the amounts
33 contributed by any incorporator or trustee to the guaranty fund of such
34 bank, or for the purpose of paying its expenses. Every such
35 certificate shall show that it does not constitute a liability of the
36 savings bank, except as otherwise provided in this title((~~-~~))i

1 (3) To purchase, hold and convey real property as prescribed in RCW
2 32.20.280((~~-~~));

3 (4) To pay depositors as hereinafter provided, and when requested,
4 pay them by drafts upon deposits to the credit of the savings bank in
5 any city in the United States, and to charge current rates of exchange
6 for such drafts((~~-~~));

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

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

24 The sale of securities or loans by a bank subject to an agreement
25 to repurchase the securities or loans shall not be considered a
26 borrowing. Borrowings from federal, state, or municipal governments or
27 agencies or instrumentalities thereof shall not be subject to the
28 limits of this subsection((~~-~~));

29 (7) To collect or protest promissory notes or bills of exchange
30 owned by such bank or held by it as collateral, and remit the proceeds
31 of the collections by drafts upon deposits to the credit of the savings
32 bank in any city in the United States, and to charge the usual rates or
33 fees for such collection and remittance for such protest((~~-~~));

34 (8) To sell gold or silver received in payment of interest or
35 principal of obligations owned by the savings bank or from depositors
36 in the ordinary course of business((~~-~~));

37 (9) To act as insurance agent for the purpose of writing fire
38 insurance on property in which the bank has an insurable interest, the

1 property to be located in the city in which the bank is situated and in
2 the immediate contiguous suburbs, notwithstanding anything in any other
3 statute to the contrary((~~-~~))i

4 (10) To let vaults, safes, boxes or other receptacles for the
5 safekeeping or storage of personal property, subject to laws and
6 regulations applicable to, and with the powers possessed by, safe
7 deposit companies((~~-~~))i

8 (11) To elect or appoint in such manner as it may determine all
9 necessary or proper officers, agents, boards, and committees, to fix
10 their compensation, subject to the provisions of this title, and to
11 define their powers and duties, and to remove them at will((~~-~~))i

12 (12) To make and amend bylaws consistent with law for the
13 management of its property and the conduct of its business((~~-~~))i

14 (13) To wind up and liquidate its business in accordance with this
15 title((~~-~~))i

16 (14) To adopt and use a common seal and to alter the same at
17 pleasure((~~-~~))i

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

25 ~~(+16))~~ To exercise the powers and authorities conferred by RCW
26 30.04.215((~~-~~))i

27 ~~((+17))~~ (16) To exercise the powers and authorities that may be
28 carried on by a subsidiary of the ~~((mutual))~~ savings bank that has been
29 determined to be a prudent investment pursuant to RCW 32.20.380((~~-~~))i

30 ~~((+18))~~ (17) To do all other acts authorized by this title((~~-~~))i

31 ~~((+19))~~ (18) To exercise the powers and authorities that may be
32 exercised by an insured state bank in compliance with 12 U.S.C. Sec.
33 1831a((~~-~~))i

34 ~~((+20))~~ (19) To conduct a promotional contest of chance as
35 authorized in RCW 9.46.0356(1)(b), as long as the conditions of RCW
36 9.46.0356(5) and 30.22.260 are complied with to the satisfaction of the
37 director.

1 **Sec. 26.** RCW 32.08.142 and 2003 c 24 s 7 are each amended to read
2 as follows:

3 (1) Notwithstanding any restrictions, limitations, and requirements
4 of law, in addition to all powers, express or implied, that a
5 ((mutual)) savings bank has under the laws of this state, a ((mutual))
6 savings bank shall have the powers and authorities that any federal
7 mutual savings bank had on July 28, 1985, or as of a subsequent date
8 not later than ((July 27, 2003)) the effective date of this section.
9 As used in this section, "powers and authorities" include without
10 limitation powers and authorities in corporate governance matters.

11 (2) A savings bank may exercise the powers and authorities granted,
12 after the effective date of this section, to federal mutual savings
13 banks or their successors under federal law only if the director finds
14 that the exercise of such powers and authorities:

15 (a) Serves the convenience and advantage of depositors and
16 borrowers, or the general public; and

17 (b) Maintains the fairness of competition and parity between state-
18 chartered savings banks and federal savings banks or their successors
19 under federal law.

20 (3) Notwithstanding any other provision of law, a savings bank has
21 the powers and authorities that an out-of-state state savings bank or
22 savings association operating a branch in Washington has if the
23 director finds that the exercise of such powers and authorities serves
24 the convenience and advantage of depositors and borrowers, or the
25 general public, and maintains the fairness of competition and parity
26 between savings banks and out-of-state state savings banks and savings
27 associations.

28 (4) For the purposes of this section, "powers and authorities"
29 include without limitation powers and authorities in corporate
30 governance matters.

31 (5) The restrictions, limitations, and requirements applicable to
32 specific powers ((~~or~~)) and authorities of federal mutual savings banks
33 or out-of-state state savings banks or savings associations, as
34 applicable, shall apply to ((mutual)) savings banks exercising those
35 powers ((~~or~~)) and authorities permitted under this section but only
36 insofar as the restrictions, limitations, and requirements relate to
37 exercising the powers ((~~or~~)) and authorities granted ((mutual)) savings
38 banks solely under this section.

1 **Sec. 27.** RCW 32.08.153 and 2010 c 88 s 49 are each amended to read
2 as follows:

3 (1) Notwithstanding any restrictions, limitations, and requirements
4 of law, in addition to all powers, express or implied, that a
5 (~~mutual~~) savings bank has under the laws of this state, a (~~mutual~~)
6 savings bank shall have (~~each and every power and authority~~) the
7 powers and authorities that any national bank had on July 28, 1985, or
8 (~~on~~) as of any subsequent date not later than (~~July 27, 2003~~) the
9 effective date of this section.

10 (2) Notwithstanding any restrictions, limitations, and requirements
11 of law, in addition to all powers, express or implied, that a savings
12 bank has under the laws of this state, a savings bank has the powers
13 and authorities conferred upon a national bank after the effective date
14 of this section, only if the director finds that the exercise of such
15 powers and authorities:

16 (a) Serves the convenience and advantage of depositors and
17 borrowers, or the general public; and

18 (b) Maintains the fairness of competition and parity between
19 savings banks and national banks.

20 (3) For the purposes of this section, "powers and authorities"
21 include without limitation powers and authorities in corporate
22 governance and operational matters.

23 (4) The restrictions, limitations, and requirements applicable to
24 specific powers (~~or~~) and authorities of national banks apply to
25 (~~mutual~~) savings banks exercising those powers (~~or~~) and authorities
26 permitted under this section but only insofar as the restrictions,
27 limitations, and requirements relate to exercising the powers or
28 authorities granted (~~mutual~~) savings banks solely under this section.
29 The director may require such a savings bank to provide notice prior to
30 implementation of a plan to develop, improve, or continue holding an
31 individual parcel of real estate, including capitalized and operating
32 leases, acquired through any means in full or partial satisfaction of
33 a debt previously contracted, under circumstances in which a national
34 bank would be required to provide notice to the comptroller of the
35 currency prior to implementation of such a plan. The director may
36 adopt rules, orders, directives, standards, policies, memoranda(~~of~~),
37 or other communications to specify guidance with regard to the exercise
38 of the powers and authorities to expend such funds as are needed to

1 enable such a savings bank to recover its total investment, to the
2 fullest extent authorized for a national bank under the national bank
3 act, 12 U.S.C. Sec. 29.

4 **Sec. 28.** RCW 32.50.030 and 2010 c 88 s 68 are each amended to read
5 as follows:

6 (1) After the period of supervisory direction specified by the
7 director for compliance, if he or she determines that such savings bank
8 has failed to comply with the lawful requirements imposed, upon due
9 notice and hearing by the department or by consent of the savings bank,
10 the director may appoint a conservator, who shall immediately take
11 charge of such savings bank and all of its property, books, records,
12 and effects. The conservator shall conduct the business of the savings
13 bank and take such steps toward the removal of the causes and
14 conditions which have necessitated such order, as the director may
15 direct. During the pendency of the conservatorship the conservator
16 shall make such reports to the director from time to time as may be
17 required by the director, and shall be empowered to take all necessary
18 measures to preserve, protect, and recover any assets or property of
19 such savings bank, including claims or causes of actions belonging to
20 or which may be asserted by such bank, and to deal with the same in his
21 or her own name as conservator, and shall be empowered to file,
22 prosecute, and defend any suit and suits which have been filed or which
23 may thereafter be filed by or against such savings bank which are
24 deemed by the conservator to be necessary to protect all of the
25 interested parties for a property affected thereby. The director, or
26 any newly appointed assistant, may be appointed to serve as
27 conservator. If the director, however, is satisfied that such savings
28 bank is not in condition to continue business in the interest of its
29 depositors or creditors under the conservator under this section, the
30 director may proceed with appropriate remedies provided by other
31 provisions of this title.

32 (2) A person appointed as conservator by the director pursuant to
33 this chapter is immune from criminal, civil, and administrative
34 liability for any act done in good faith in the performance of the
35 duties of conservator.

1 **Sec. 29.** RCW 33.12.012 and 1994 c 256 s 119 are each amended to
2 read as follows:

3 (1) Notwithstanding any other provision of law, in addition to all
4 powers and authorities, express or implied, that an association has
5 under this title, an association may exercise any of the powers ((~~or~~))
6 and authorities ((~~conferred as of December 31, 1993, upon~~)) that a
7 federal savings and loan association ((~~doing business in this state~~))
8 had on December 31, 1993, or as of a subsequent date not later than the
9 effective date of this section. As used in this section, "powers and
10 authorities" include without limitation powers and authorities in
11 corporate governance and operational matters.

12 (2) Notwithstanding any other provisions of law, a savings
13 association has the powers and authorities that an out-of-state state
14 savings association operating a branch in Washington has if the
15 director finds that the exercise of such powers and authorities serves
16 the convenience and advantage of depositors and borrowers, or the
17 general public, and maintains the fairness of competition and parity
18 between savings associations and out-of-state state savings
19 associations.

20 (3) The restrictions, limitations and requirements applicable to
21 specific powers ((~~or~~)) and authorities of federal savings and loan
22 associations or out-of-state state savings associations, as applicable,
23 shall apply to savings associations exercising those powers ((~~or~~)) and
24 authorities permitted under this section but only insofar as the
25 restrictions, limitations, and requirements relate to exercising the
26 powers ((~~or~~)) and authorities granted savings associations solely by
27 this section.

28 **Sec. 30.** RCW 33.24.010 and 1994 c 92 s 445 are each amended to
29 read as follows:

30 (1) An association may invest its funds only as provided in this
31 chapter.

32 ((~~It shall not invest more than two and a half percent of its~~
33 assets in any loan or obligation to any one person, except with the
34 written approval of the director.))

35 (2) An association is subject to the same limits on loans and
36 extensions of credit, and exceptions thereto, as set forth in RCW
37 30.04.111.

1 **Sec. 31.** RCW 33.32.060 and 1945 c 235 s 85 are each amended to
2 read as follows:

3 (~~No foreign~~) Subject to other provisions of this chapter, an out-
4 of-state savings and loan association shall be permitted to (~~do~~
5 ~~business~~) establish a branch or acquire branches in this state (~~on~~
6 ~~more favorable terms and conditions than the associations organized~~
7 ~~under the laws of this state are permitted to do business in the state~~
8 ~~in which such foreign association or corporation is organized~~) if the
9 out-of-state savings and loan association would be permitted to
10 establish or acquire a branch in Washington state if it were a savings
11 bank chartered under Title 32 RCW or a savings association chartered
12 under this title.

13 **NEW SECTION. Sec. 32.** The following acts or parts of acts are
14 each repealed:

15 (1) RCW 30.08.095 (Schedule of fees to be established) and 1995 c
16 134 s 5;

17 (2) RCW 32.08.146 (Additional powers--Powers and authorities
18 granted to federal mutual savings banks after July 27, 2003--
19 Restrictions) and 2003 c 24 s 8, 1999 c 14 s 19, 1996 c 2 s 25, & 1994
20 c 256 s 99;

21 (3) RCW 32.08.155 (Additional powers--Powers and authorities
22 conferred upon national banks after July 27, 2003--Restrictions) and
23 2003 c 24 s 5; and

24 (4) RCW 32.08.1551 (Powers and authorities of national banks after
25 July 27, 2003--Director's finding necessary) and 2010 c 88 s 50.

26 **Sec. 33.** 2011 c 303 s 9 (uncodified) is amended to read as
27 follows:

28 Sections 7 and 8, chapter 303, Laws of 2011 and sections 10 and 25
29 of this act take effect when the director of the department of
30 financial institutions finds that a federal regulatory agency has,
31 through federal law, regulation, or official regulatory interpretation,
32 interpreted federal law to permit banks operating under the authority
33 of Title 30 or 32 RCW to conduct a promotional contest of chance as
34 defined in RCW 30.22.040. If the contingency occurs, the director
35 shall notify the chief clerk of the house of representatives, the
36 secretary of the senate, and the office of the code reviser.

1 NEW SECTION. **Sec. 34.** Sections 9 and 24 of this act expire when
2 the contingency under section 33 of this act has occurred.

3 NEW SECTION. **Sec. 35.** If any provision of this act or its
4 application to any person or circumstance is held invalid, the
5 remainder of the act or the application of the provision to other
6 persons or circumstances is not affected.

--- END ---