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**SUBSTITUTE SENATE BILL 5208**

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**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 an effective date; providing a contingent  
12 effective date; providing a contingent expiration date; and declaring  
13 an emergency.

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

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

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

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

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

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

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

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

25 (6) "Department" means the Washington state department of financial  
26 institutions.

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

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

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

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

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

37 (c) Every other unincorporated company, partnership or association

1 of two or more individuals, doing a banking business, if the members  
2 thereof owning a majority interest therein or entitled to more than  
3 one-half of the net assets thereof are not residents of this state; or

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

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

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

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

19 (~~((12))~~) (13) The term "trust business" shall include the business  
20 of doing any or all of the things specified in RCW 30.08.150 (2), (3),  
21 (4), (5), (6), (7), (8), (9), (10) and (11).

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

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

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

36 (2) The director shall collect from each bank, savings bank, trust  
37 company, savings association, holding company under this title (~~((30~~

1 RCW)), holding company under Title 32 RCW, business development company  
2 under chapter 31.24 RCW, agricultural lender under chapter 31.35 RCW,  
3 and small business lender under chapter 31.40 RCW((7)):

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36       ~~(2) For the purposes of this section, ("capital" shall include the~~  
37 ~~amount of common stock outstanding and unimpaired, the amount of~~

1 ~~preferred stock outstanding and unimpaired, and capital notes or~~  
2 ~~debentures issued pursuant to chapter 30.36 RCW.~~

3 ~~(3) For the purposes of this section, "surplus" shall include~~  
4 ~~capital surplus, reflecting the amounts paid in excess of the par or~~  
5 ~~stated value of capital stock, or amounts contributed to the bank other~~  
6 ~~than for capital stock, and undivided profits.~~

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

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

1 types of transactions, a bank, unless otherwise approved by the  
2 director, shall conform to all applicable rulings of the comptroller of  
3 the currency, or successor federal banking regulator, which ~~((a))~~ (i)  
4 relate to national banks and federal savings associations, ~~((b))~~ (ii)  
5 govern such specific types of transactions or circumstances, and  
6 ~~((c))~~ (iii) are consistent with this section and the department's  
7 adopted rules.

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

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

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

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

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

32 (d) Notwithstanding any provision of this subsection (4), the  
33 director may by rule or interpretation prescribe standards for  
34 treatment of nonconforming extensions of credit that are derivatives  
35 transactions, repurchase agreements, reverse repurchase agreements,  
36 securities lending transactions, or securities borrowing transactions,  
37 and may, if required for state insured banks or member state banks,

1 rely upon rules or interpretations of the federal deposit insurance  
2 corporation or the board of governors of the federal reserve system, as  
3 applicable.

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

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

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

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

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

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

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

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

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

37 (1) Notwithstanding any other provisions of law, in addition to all



1 powers enumerated by this title, and those necessarily implied  
2 therefrom, a bank or trust company may engage in other business  
3 activities that have been determined by the board of governors of the  
4 federal reserve system or by the United States Congress to be closely  
5 related to the business of banking, as of ((July 27, 2003)) the  
6 effective date of this section.

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

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

1 authorities conferred on a federally chartered bank after (~~July 27,~~  
2 ~~2003~~) the effective date of this section, only if the director finds  
3 that the exercise of such powers and authorities:

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

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

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

15 (5) As used in this section, "powers and authorities" include  
16 without limitation powers and authorities in corporate governance and  
17 operational matters.

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

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

1 authorized for a national bank under the national bank act, 12 U.S.C.  
2 Sec. 29.

3 ~~((7))~~ (8) Any activity which may be performed by a bank or trust  
4 company, except the taking of deposits, may be performed by (a) a  
5 corporation or (b) another entity approved by the director, which in  
6 either case is owned in whole or in part by the bank or trust company.

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

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

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

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

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

26 (2) As used in this section, "powers and authorities" include  
27 without limitation powers and authorities in corporate governance and  
28 operational matters.

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

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

3       (1) (~~Every corporation doing~~) A person authorized under this  
4 title to engage in a trust business shall maintain in its office a  
5 trust department in which it shall keep books and accounts of its trust  
6 business, separate and apart from its other business. Such books and  
7 accounts shall specify the cash, securities and other properties, real  
8 and personal, held in each trust, and such securities and properties  
9 shall be at all times segregated from all other securities and  
10 properties except as otherwise provided in this section.

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

17       (3) Notwithstanding any other provisions of law, any fiduciary  
18 holding securities in its fiduciary capacity or any state bank,  
19 national bank, or trust company holding securities as fiduciary or as  
20 custodian for a fiduciary is authorized to deposit or arrange for the  
21 deposit of such securities: (a) In a clearing corporation (as defined  
22 in Article 8 of the Uniform Commercial Code, chapter 62A.8 RCW); (b)  
23 within another state bank, national bank, or trust company having trust  
24 power whether located inside or outside of this state; or (c) within  
25 itself. When such securities are so deposited, certificates  
26 representing securities of the same class of the same issuer may be  
27 merged and held in bulk in the name of the nominee of such clearing  
28 corporation or state bank, national bank, or trust company holding the  
29 securities as the depository, with any other such securities deposited  
30 in such clearing corporation or depository by any person, regardless of  
31 the ownership of such securities, and certificates of small  
32 denomination may be merged into one or more certificates of larger  
33 denomination. The records of such fiduciary and the records of such  
34 state bank, national bank, or trust company as a fiduciary or as  
35 custodian for a fiduciary shall at all times show the name of the party  
36 for whose account the securities are so deposited. Ownership of, and  
37 other interests in, such securities may be transferred by bookkeeping  
38 entries on the books of such clearing corporation, state bank, national

1 bank, or trust company without physical delivery or alteration of  
2 certificates representing such securities. A state bank, national  
3 bank, or trust company so depositing securities pursuant to this  
4 section shall be subject to such rules and regulations as, in the case  
5 of state chartered banks and trust companies, the director and, in the  
6 case of national banking associations, the comptroller of the currency  
7 may from time to time issue. A state bank, national bank, or trust  
8 company acting as custodian for a fiduciary shall, on demand by the  
9 fiduciary, certify in writing to the fiduciary the securities so  
10 deposited by such state bank, national bank, or trust company in such  
11 clearing corporation or state bank, national bank, or trust company  
12 acting as such depository for the account of such fiduciary. A  
13 fiduciary shall, on demand by any party to a judicial proceeding for  
14 the settlement of such fiduciary's account or on demand by the attorney  
15 for such party, certify in writing to such party the securities  
16 deposited by such fiduciary in such clearing corporation or state bank,  
17 national bank, or trust company acting as such depository for its  
18 account as such fiduciary.

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

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

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

1           (2) Any person authorized under this title to engage in a trust  
2 ~~((company or other corporation))~~ business, which advertises that it  
3 will furnish legal advice, construct or prepare wills, or do other  
4 legal work for its customers, and any officer, agent, or employee of  
5 ~~((any trust company or corporation))~~ such person who shall solicit  
6 legal business is guilty of a gross misdemeanor.

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

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

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

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

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

25           (e) Except as authorized by federal law or by another law of this  
26 state, a nondepository trust company incorporated under the laws of  
27 another state ~~((, a national trust company or national bank the main~~  
28 ~~office of which is located in such other state, or a federal savings~~  
29 ~~bank the home office of which is located in such other state,))~~ shall  
30 not be permitted to engage in a trust business in this state on more  
31 favorable terms and conditions than the terms and conditions on which  
32 trust companies incorporated under this chapter and ~~((mutual))~~ savings  
33 banks engaged in trust business under RCW 32.08.140, 32.08.142,  
34 32.08.210, and 32.08.215 are permitted to engage in trust business in  
35 such other state.

36           (2) Notwithstanding any other provision of this section, the  
37 director may by rule or order prohibit any person from engaging in a

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

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

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

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

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

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

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

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

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

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

1 (8) To discount and negotiate promissory notes, drafts, bills of  
2 exchange and other evidences of debt, to receive deposits of money and  
3 commercial paper, to lend money secured or unsecured, to issue all  
4 forms of letters of credit, to buy and sell bullion, coins and bills of  
5 exchange((~~-~~));

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

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

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



1 in no event exceed fifty percent of such capital stock and  
2 surplus((-))i

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

27 (13) To have and exercise all powers necessary or convenient to  
28 effect its purposes((-))i

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

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

1        ~~((16) To exercise any other power or authority permissible under~~  
2 ~~applicable state or federal law conducted by out of state state banks~~  
3 ~~with branches in Washington to the same extent if, in the opinion of~~  
4 ~~the director, those powers and authorities affect the operations of~~  
5 ~~banking in Washington or affect the delivery of financial services in~~  
6 ~~Washington.))~~

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

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

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

13        (2) To have perpetual succession((-))i

14        (3) To make contracts((-))i

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

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

21        (6) To make and alter bylaws, not inconsistent with its articles of  
22 incorporation or with the laws of this state, for the administration  
23 and regulation of its affairs((-))i

24        (7) To invest and reinvest its funds in marketable obligations  
25 evidencing the indebtedness of any person, copartnership, association,  
26 or corporation in the form of bonds, notes, or debentures commonly  
27 known as investment securities except as may by regulation be limited  
28 by the director((-))i

29        (8) To discount and negotiate promissory notes, drafts, bills of  
30 exchange and other evidences of debt, to receive deposits of money and  
31 commercial paper, to lend money secured or unsecured, to issue all  
32 forms of letters of credit, to buy and sell bullion, coins and bills of  
33 exchange((-))i

34        (9) To take and receive as bailee for hire upon terms and  
35 conditions to be prescribed by the corporation, for safekeeping and  
36 storage, jewelry, plate, money, specie, bullion, stocks, bonds,

1 mortgages, securities and valuable paper of any kind and other valuable  
2 personal property, and to rent vaults, safes, boxes and other  
3 receptacles for safekeeping and storage of personal property((~~-~~));i

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

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

32 (12) To accept drafts or bills of exchange drawn upon it, having  
33 not more than three months sight to run, drawn under regulations to be  
34 prescribed by the director by banks or bankers in foreign countries or  
35 dependencies or insular possessions of the United States for the  
36 purpose of furnishing dollar exchange as required by the usages of  
37 trade in the respective countries, dependencies or insular possessions.  
38 Such drafts or bills may be acquired by banks in such amounts and

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

18 (13) To have and exercise all powers necessary or convenient to  
19 effect its purposes((-));

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

28 (15) To be a limited partner in a limited partnership that engages  
29 in only such activities as are authorized for the bank((-));

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

36 (+17)) To conduct a promotional contest of chance as authorized in  
37 RCW 9.46.0356(1)(b), as long as the conditions of RCW 9.46.0356(5) and  
38 30.22.260 are complied with to the satisfaction of the director.

1       **Sec. 11.** RCW 30.08.155 and 1998 c 45 s 2 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 trust  
5 company has under the laws of this state, a trust company shall have  
6 the powers and authorities conferred as of June 11, 1998, upon a  
7 federally chartered trust company doing business in this state. A  
8 trust company may exercise the powers and authorities conferred on a  
9 federally chartered trust company after this date only if the director  
10 finds that the exercise of such powers and authorities:

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

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

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

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

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

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

35       (1) An out-of-state bank may engage in banking in this state  
36 without violating RCW 30.04.280 only if the conditions and filing

1 requirements of this chapter are met and the bank was lawfully engaged  
2 in banking in this state on (~~June 6, 1996~~) July 22, 2010, or the  
3 bank's in-state banking activities:

4 (a) Resulted from an interstate combination pursuant to RCW  
5 30.49.125 or 32.32.500;

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

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

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

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

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

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

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

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

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

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

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

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

35 ~~(a) In the case of a de novo branch, the laws of the home state of~~  
36 ~~the out-of-state bank permit Washington banks to establish and maintain~~

1 ~~de novo branches in that state under substantially the same, or at~~  
2 ~~least as favorable, terms and conditions as set forth in this chapter;~~  
3 ~~or~~

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

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

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

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

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

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

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

10       (2) Withdraw any of its bank accounts;

11       (3) Lend any of its funds;

12       (4) Invest any of its funds;

13       (5) Transfer any of its property; or

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

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

17       After the period of supervisory direction specified by the director  
18 for compliance, if he or she determines that such bank or trust company  
19 has failed to comply with the lawful requirements imposed, upon due  
20 notice and hearing or by consent of the bank, the director may appoint  
21 a conservator, who shall immediately take charge of such bank or trust  
22 company and all of its property, books, records, and effects. The  
23 conservator shall conduct the business of the bank or trust company and  
24 take such steps toward the removal of the causes and conditions which  
25 have necessitated such order, as the director may direct. During the  
26 pendency of the conservatorship the conservator shall make such reports  
27 to the director from time to time as may be required by the director,  
28 and shall be empowered to take all necessary measures to preserve,  
29 protect, and recover any assets or property of such bank or trust  
30 company, including claims or causes of actions belonging to or which  
31 may be asserted by such bank, and to deal with the same in his or her  
32 own name as conservator, and shall be empowered to file, prosecute, and  
33 defend any suit and suits which have been filed or which may thereafter  
34 be filed by or against such bank or trust company which are deemed by  
35 the conservator to be necessary to protect all of the interested  
36 parties for a property affected thereby. The director, or any newly  
37 appointed assistant, may be appointed to serve as conservator. If the



1 director, however, is satisfied that such bank or trust company is not  
2 in condition to continue business in the interest of its (~~depositors~~  
3 ~~or creditors~~) customers under the conservator as above provided, the  
4 director may proceed with appropriate remedies provided by other  
5 provisions of this title.

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

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

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

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

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

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

1 court of competent jurisdiction against any person for the purpose of  
2 preserving, protecting, or recovering any asset or property of such  
3 bank or trust company including claims or causes of action belonging to  
4 or which may be asserted by such bank.

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

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

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

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

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

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

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

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

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

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

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

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

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

37 (b) The savings bank has filed with the director (i) a duly  
38 executed instrument in writing, by its terms of indefinite duration and

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

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

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

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

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

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

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

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

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

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

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

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

25 (3) To purchase, hold and convey real property as prescribed in RCW  
26 32.20.280((-))i

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

31 (5) To borrow money in pursuance of a resolution adopted by a vote  
32 of a majority of its board of trustees duly entered upon its minutes  
33 whereon shall be recorded by ayes and noes the vote of each trustee,  
34 for the purpose of repaying depositors, and to pledge or hypothecate  
35 securities as collateral for loans so obtained. Immediate written

1 notice shall be given to the director of all amounts so borrowed, and  
2 of all assets so pledged or hypothecated((~~-~~));i

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

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

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

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

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

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

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

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

3 (13) To wind up and liquidate its business in accordance with this  
4 title((~~-~~));

5 (14) To adopt and use a common seal and to alter the same at  
6 pleasure((~~-~~));

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

14 ~~(+16))~~ To exercise the powers and authorities conferred by RCW  
15 30.04.215((~~-~~));

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

19 ~~((+18))~~ (17) To do all other acts authorized by this title((~~-~~));

20 ~~((+19))~~ (18) To exercise the powers and authorities that may be  
21 exercised by an insured state bank in compliance with 12 U.S.C. Sec.  
22 1831a.

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

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

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

34 (2) To issue transferable certificates showing the amounts  
35 contributed by any incorporator or trustee to the guaranty fund of such  
36 bank, or for the purpose of paying its expenses. Every such

1 certificate shall show that it does not constitute a liability of the  
2 savings bank, except as otherwise provided in this title((~~-~~));i

3 (3) To purchase, hold and convey real property as prescribed in RCW  
4 32.20.280((~~-~~));i

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

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

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

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

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

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



1 (9) To act as insurance agent for the purpose of writing fire  
2 insurance on property in which the bank has an insurable interest, the  
3 property to be located in the city in which the bank is situated and in  
4 the immediate contiguous suburbs, notwithstanding anything in any other  
5 statute to the contrary((~~-~~));  
6 (10) To let vaults, safes, boxes or other receptacles for the  
7 safekeeping or storage of personal property, subject to laws and  
8 regulations applicable to, and with the powers possessed by, safe  
9 deposit companies((~~-~~));  
10 (11) To elect or appoint in such manner as it may determine all  
11 necessary or proper officers, agents, boards, and committees, to fix  
12 their compensation, subject to the provisions of this title, and to  
13 define their powers and duties, and to remove them at will((~~-~~));  
14 (12) To make and amend bylaws consistent with law for the  
15 management of its property and the conduct of its business((~~-~~));  
16 (13) To wind up and liquidate its business in accordance with this  
17 title((~~-~~));  
18 (14) To adopt and use a common seal and to alter the same at  
19 pleasure((~~-~~));  
20 (15) (~~To exercise any other power or authority permissible under~~  
21 ~~applicable state or federal law exercised by other savings banks or by~~  
22 ~~savings and loan associations with branches in Washington to the same~~  
23 ~~extent as those savings institutions if, in the opinion of the~~  
24 ~~director, the exercise of these powers and authorities by the other~~  
25 ~~savings institutions affects the operations of savings banks in~~  
26 ~~Washington or affects the delivery of financial services in Washington.~~  
27 ~~(16)~~) To exercise the powers and authorities conferred by RCW  
28 30.04.215((~~-~~));  
29 ((~~+17~~)) (16) To exercise the powers and authorities that may be  
30 carried on by a subsidiary of the ((~~mutual~~)) savings bank that has been  
31 determined to be a prudent investment pursuant to RCW 32.20.380((~~-~~));  
32 ((~~+18~~)) (17) To do all other acts authorized by this title((~~-~~));  
33 ((~~+19~~)) (18) To exercise the powers and authorities that may be  
34 exercised by an insured state bank in compliance with 12 U.S.C. Sec.  
35 1831a((~~-~~));  
36 ((~~+20~~)) (19) To conduct a promotional contest of chance as  
37 authorized in RCW 9.46.0356(1)(b), as long as the conditions of RCW

1 9.46.0356(5) and 30.22.260 are complied with to the satisfaction of the  
2 director.

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

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

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

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

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

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

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

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

1 insofar as the restrictions, limitations, and requirements relate to  
2 exercising the powers ~~((or))~~ and authorities granted ~~((mutual))~~ savings  
3 banks solely under this section.

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

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

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

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

21 (b) Maintains the fairness of competition and parity between  
22 savings banks and national banks.

23 (3) For the purposes of this section, "powers and authorities"  
24 include without limitation powers and authorities in corporate  
25 governance and operational matters.

26 (4) The restrictions, limitations, and requirements applicable to  
27 specific powers ~~((or))~~ and authorities of national banks apply to  
28 ~~((mutual))~~ savings banks exercising those powers ~~((or))~~ and authorities  
29 permitted under this section but only insofar as the restrictions,  
30 limitations, and requirements relate to exercising the powers or  
31 authorities granted ~~((mutual))~~ savings banks solely under this section.  
32 The director may require such a savings bank to provide notice prior to  
33 implementation of a plan to develop, improve, or continue holding an  
34 individual parcel of real estate, including capitalized and operating  
35 leases, acquired through any means in full or partial satisfaction of  
36 a debt previously contracted, under circumstances in which a national  
37 bank would be required to provide notice to the comptroller of the

1 currency prior to implementation of such a plan. The director may  
2 adopt rules, orders, directives, standards, policies, memoranda(~~(+,+)~~),  
3 or other communications to specify guidance with regard to the exercise  
4 of the powers and authorities to expend such funds as are needed to  
5 enable such a savings bank to recover its total investment, to the  
6 fullest extent authorized for a national bank under the national bank  
7 act, 12 U.S.C. Sec. 29.

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

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

36 (2) A person appointed as conservator by the director pursuant to

1 this chapter is immune from criminal, civil, and administrative  
2 liability for any act done in good faith in the performance of the  
3 duties of conservator.

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

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

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

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

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

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

35 ((It shall not invest more than two and a half percent of its

1 ~~assets in any loan or obligation to any one person, except with the~~  
2 ~~written approval of the director.))~~

3 (2) An association is subject to the same limits on loans and  
4 extensions of credit, and exceptions thereto, as set forth in RCW  
5 30.04.111.

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

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

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

20 (1) RCW 30.08.095 (Schedule of fees to be established) and 1995 c  
21 134 s 5;

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

26 (3) RCW 32.08.155 (Additional powers--Powers and authorities  
27 conferred upon national banks after July 27, 2003--Restrictions) and  
28 2003 c 24 s 5; and

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

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

33 Sections 7 and 8, chapter 303, Laws of 2011 and sections 10 and 25  
34 of this act take effect when the director of the department of  
35 financial institutions finds that a federal regulatory agency has,

1 through federal law, regulation, or official regulatory interpretation,  
2 interpreted federal law to permit banks operating under the authority  
3 of Title 30 or 32 RCW to conduct a promotional contest of chance as  
4 defined in RCW 30.22.040. If the contingency occurs, the director  
5 shall notify the chief clerk of the house of representatives, the  
6 secretary of the senate, and the office of the code reviser.

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

9 NEW SECTION. **Sec. 35.** If any provision of this act or its  
10 application to any person or circumstance is held invalid, the  
11 remainder of the act or the application of the provision to other  
12 persons or circumstances is not affected.

13 NEW SECTION. **Sec. 36.** Except for sections 10 and 25 of this act,  
14 this act is necessary for the immediate preservation of the public  
15 peace, health, or safety, or support of the state government and its  
16 existing public institutions, and takes effect June 1, 2013.

--- END ---