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**SUBSTITUTE SENATE BILL 5232**

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**State of Washington**

**62nd Legislature**

**2011 Regular Session**

**By** Senate Labor, Commerce & Consumer Protection (originally sponsored by Senators Kilmer, Hobbs, Carrell, Keiser, and Kohl-Welles)

READ FIRST TIME 02/08/11.

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

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

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

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

17       (1) The legislature authorizes:

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

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

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

19       (3) Promotional contests of chance shall be conducted as  
20 advertising and promotional undertakings solely for the purpose of  
21 advertising or promoting the services, goods, wares, and merchandise of  
22 a business.

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

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

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

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

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

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

10        ~~((+6))~~ (7) Unless authorized by the commission, equipment or  
11 devices made for use in a gambling activity are prohibited from use in  
12 a promotional contest.

13        ~~((+7))~~ (8) This section shall not be construed to permit  
14 noncompliance with chapter 19.170 RCW, promotional advertising of  
15 prizes, and chapter 19.86 RCW, unfair business practices.

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

18        Unless the context clearly requires otherwise, the definitions in  
19 this section apply throughout this chapter.

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

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

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

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

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

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

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

2 (4) "Promotion" means an advertising program, sweepstakes, contest,  
3 direct giveaway, or solicitation directed to specific named  
4 individuals, that includes the award of or chance to be awarded a  
5 prize, but does not include a promotional contest of chance under RCW  
6 9.46.0356(1)(b).

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

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

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

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

28 (9) "Verifiable retail value" means:

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

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

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

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

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

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

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

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

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

24 (4) "Agent" means a person designated by a depositor or depositors  
25 in a contract of deposit or other document to have the authority to  
26 deposit and to make payments from an account in the name of the  
27 depositor or depositors.

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

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

36 (7) "Joint account without right of survivorship" means an account

1 in the name of two or more depositors and which contains no provision  
2 that the funds of a deceased depositor become the property of the  
3 surviving depositor or depositors.

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

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

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

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

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

36 (13) "Depositor's funds" or "funds of a depositor" means the amount  
37 of all deposits belonging to or made for the benefit of a depositor,  
38 less all withdrawals of the funds by the depositor or by others for the

1 depositor's benefit, plus the depositor's prorated share of any  
2 interest or dividends included in the current balance of the account  
3 and any proceeds of deposit life insurance added to the account by  
4 reason of the death of a depositor.

5 (14) "Payment(s)" of sums on deposit includes withdrawal, payment  
6 by check or other directive of a depositor or his agent, any pledge of  
7 sums on deposit by a depositor or his agent, any set-off or reduction  
8 or other disposition of all or part of an account balance, and any  
9 payments to any person under RCW 30.22.120, 30.22.140, 30.22.150,  
10 30.22.160, 30.22.170, 30.22.180, 30.22.190, 30.22.200, and 30.22.220.

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

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

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

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

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

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

1 (1) If approved by its board of directors, a financial institution  
2 may conduct a promotional contest of chance as permitted under RCW  
3 9.46.0356(1)(b).

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

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

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

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

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

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

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

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

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

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

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

27 A credit union may:

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

30 (2) Make loans to its members in accordance with RCW 31.12.426 and  
31 31.12.428;

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

34 (4) Impose reasonable charges for the services it provides to its  
35 members;

36 (5) Impose financing charges and reasonable late charges in the  
37 event of default on loans, subject to applicable law, and recover



1 reasonable costs and expenses, including, but not limited to,  
2 collection costs, and reasonable attorneys' fees incurred both before  
3 and after judgment, incurred in the collection of sums due, if provided  
4 for in the note or agreement signed by the borrower;

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

8 (7) Deposit and invest funds in accordance with RCW 31.12.436;

9 (8) Borrow money, up to a maximum of fifty percent of its total  
10 shares, deposits, and net worth;

11 (9) Discount or sell any of its assets, or purchase any or all of  
12 the assets of another credit union, out-of-state credit union, or  
13 federal credit union. However, a credit union may not discount or sell  
14 all, or substantially all, of its assets without the approval of the  
15 director;

16 (10) Accept deposits of deferred compensation of its members;

17 (11) Act as fiscal agent for and receive payments on shares and  
18 deposits from the federal government or this state, and any agency or  
19 political subdivision thereof;

20 (12) Engage in activities and programs as requested by the federal  
21 government, this state, and any agency or political subdivision  
22 thereof, when the activities or programs are not inconsistent with this  
23 chapter;

24 (13) Hold membership in credit unions, out-of-state credit unions,  
25 or federal credit unions and in organizations controlled by or  
26 fostering the interests of credit unions, including, but not limited  
27 to, a central liquidity facility organized under state or federal law;

28 (14) Pay additional dividends and interest to members, or an  
29 interest rate refund to borrowers;

30 (15) Enter into lease agreements, lease contracts, and  
31 lease-purchase agreements with members;

32 (16) Act as insurance agent or broker for the sale to members of:

33 (a) Group life, accident, health, and credit life and disability  
34 insurance; and

35 (b) Other insurance that other types of Washington state-chartered  
36 financial institutions are permitted to sell, on the same terms and  
37 conditions that these institutions are permitted to sell such  
38 insurance;

1 (17) Impose a reasonable service charge for the administration and  
2 processing of accounts that remain dormant for a period of time  
3 specified by the credit union;

4 (18) Establish and operate on-premises or off-premises electronic  
5 facilities;

6 (19) Enter into formal or informal agreements with another credit  
7 union for the purpose of fostering the development of the other credit  
8 union;

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

15 (21) Limit the personal liability of its directors in accordance  
16 with provisions of its articles of incorporation that conform with RCW  
17 23B.08.320;

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

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

26 ~~((+23))~~ (24) Exercise such incidental powers as are necessary or  
27 convenient to enable it to conduct the business of a credit union.

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

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

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

34 (2) To have perpetual succession.

35 (3) To make contracts.

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

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

6 (6) To make and alter bylaws, not inconsistent with its articles of  
7 incorporation or with the laws of this state, for the administration  
8 and regulation of its affairs.

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

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

19 (9) To take and receive as bailee for hire upon terms and  
20 conditions to be prescribed by the corporation, for safekeeping and  
21 storage, jewelry, plate, money, specie, bullion, stocks, bonds,  
22 mortgages, securities and valuable paper of any kind and other valuable  
23 personal property, and to rent vaults, safes, boxes and other  
24 receptacles for safekeeping and storage of personal property.

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

29 (11) To accept drafts or bills of exchange drawn upon it having not  
30 more than six months sight to run, which grow out of transactions  
31 involving the importation or exportation of goods; or which grow out of  
32 transactions involving the domestic shipment of goods, providing  
33 shipping documents conveying or securing title are attached at the time  
34 of acceptance; or which are secured at the time of acceptance by a  
35 warehouse receipt or other such document conveying or securing title to  
36 readily marketable staples. No bank shall accept, either in a foreign  
37 or a domestic transaction, for any one person, company, firm or  
38 corporation, to an amount equal at any one time in the aggregate to

1 more than ten percent of its paid up and unimpaired capital stock and  
2 surplus unless the bank is secured by attached documents or by some  
3 other actual security growing out of the same transaction as the  
4 acceptance; and no bank shall accept such bills to an amount equal at  
5 any time in the aggregate to more than one-half of its paid up and  
6 unimpaired capital stock and surplus: PROVIDED, HOWEVER, That the  
7 director, under such general regulations applicable to all banks  
8 irrespective of the amount of capital or surplus, as the director may  
9 prescribe may authorize any bank to accept such bills to an amount not  
10 exceeding at any time in the aggregate one hundred percent of its paid  
11 up and unimpaired capital stock and surplus: PROVIDED, FURTHER, That  
12 the aggregate of acceptances growing out of domestic transactions shall  
13 in no event exceed fifty percent of such capital stock and surplus.

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

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

3 (14) To serve as custodian of an individual retirement account and  
4 pension and profit sharing plans qualified under internal revenue code  
5 section 401(a), the assets of which are invested in deposits of the  
6 bank or trust company or are invested, pursuant to directions from the  
7 customer owning the account, in securities traded on a national  
8 securities market: PROVIDED, That the bank or trust company shall  
9 accept no investment responsibilities over the account unless it is  
10 granted trust powers by the director.

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

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

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

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

25 Every mutual savings bank incorporated under this title shall have,  
26 subject to the restrictions and limitations contained in this title,  
27 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.

3 (3) To purchase, hold and convey real property as prescribed in RCW  
4 32.20.280.

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.

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.

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.

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.

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.

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

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

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

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

1        NEW SECTION.    **Sec. 9.**    Sections 7 and 8 of this act take effect  
2 when the director of the department of financial institutions finds  
3 that a federal regulatory agency has, through federal law, regulation,  
4 or official regulatory interpretation, interpreted federal law to  
5 permit banks operating under the authority of Title 30 or 32 RCW to  
6 conduct a promotional contest of chance as defined in RCW 30.22.040.

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