

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 1537**

Chapter 120, Laws of 2001

57th Legislature  
2001 Regular Session

CREDIT UNIONS--LIABILITY OF DIRECTORS

EFFECTIVE DATE: 7/22/01

Passed by the House March 9, 2001  
Yeas 98 Nays 0

FRANK CHOPP

**Speaker of the House of Representatives**

CLYDE BALLARD

**Speaker of the House of Representatives**

Passed by the Senate April 9, 2001  
Yeas 47 Nays 0

BRAD OWEN

**President of the Senate**

Approved April 27, 2001.

GARY LOCKE

**Governor of the State of Washington**

CERTIFICATE

We, Timothy A. Martin and Cynthia Zehnder, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1537** as passed by the House of Representatives and the Senate on the dates hereon set forth.

TIMOTHY A. MARTIN

**Chief Clerk**

CYNTHIA ZEHNDER

**Chief Clerk**

FILED

April 27, 2001 - 1:09 p.m.

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 1537**

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Passed Legislature - 2001 Regular Session

**State of Washington**

**57th Legislature**

**2001 Regular Session**

**By** House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Roach, Hatfield, Benson, Miloscia and Keiser)

READ FIRST TIME 02/14/01.

1           AN ACT Relating to credit union directors and committee members;  
2 and adding a new section to chapter 31.12 RCW.

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

4           NEW SECTION.   **Sec. 1.** A new section is added to chapter 31.12 RCW  
5 to read as follows:

6           (1) Directors and committee members at a credit union or federal  
7 credit union have no personal liability for harm caused by acts or  
8 omissions performed on behalf of the credit union if: The director or  
9 committee member was acting within the scope of his or her duties at  
10 the time of the act or omission; the harm was not caused by an act in  
11 violation of RCW 31.12.267; the harm was not caused by willful or  
12 criminal misconduct, gross negligence, reckless misconduct, or a  
13 conscious, flagrant indifference to the rights or safety of the  
14 individual harmed; and the harm was not caused by the director or  
15 committee member's operation of a motor vehicle, vessel, aircraft, or  
16 other vehicle for which the state requires the operator or the owner of  
17 the vehicle, craft, or vessel to either possess an operator's license  
18 or maintain insurance.

1           (2) This section does not affect a director's or committee member's  
2 liability to the credit union or to a governmental entity for harm to  
3 the credit union or governmental entity caused by the director or  
4 committee member.

5           (3) This section does not affect the vicarious liability of the  
6 credit union with respect to harm caused to any person, including harm  
7 caused by the negligence of a director or committee member.

8           (4) This section does not affect the liability of employees of the  
9 credit union for acts or omissions done within the scope of their  
10 employment.

Passed the House March 9, 2001.

Passed the Senate April 9, 2001.

Approved by the Governor April 27, 2001.

Filed in Office of Secretary of State April 27, 2001.