

RCW 30A.04.005 Legislative declarations. The legislature declares that:

(1) Banking institutions and trust companies provide essential and valuable fiduciary management services to consumers, businesses, and nonprofit organizations in the state of Washington;

(2) There is a critical public need to encourage and promote the revitalization and growth of the state's financial sector and realize its potential as an alternative global financial services hub;

(3) The fulfillment of this potential can best be achieved by taking measures to:

(a) Clarify prudential standards of professional fiduciary management to provide assurances to state, national, and international owners and managers of wealth;

(b) Promote flexibility in the management of asset portfolios to respond to ever-changing global conditions; and

(c) Provide certainty and clear expectations for owners of wealth, asset managers, and their respective advisors;

(4) Banking institutions and nondepository trust companies in the state of Washington will be better prepared to continue providing professional fiduciary management services effectively if laws of the state's banking institutions and nondepository trust companies are modernized, clarified, reorganized and, with respect to some situations, amended;

(5) There is a need for improved services and reduced costs for trust institution clients and customers and other consumers in this state through modernization of state law to clarify and thereby promote the delegation by trust institutions of fiduciary functions to qualified third-party professionals, to authorize clients to designate any trust institution to act for them, and to protect the public from excessive fees or undisclosed conflicts of interest of trust institutions and their affiliates;

(6) Properly capitalized and professionally managed trusts and trust companies serving only family members and their affiliated entities, which operate privately and do not hold themselves out to, nor provide services to, the general public, should continue to operate without the necessity of being chartered or regulated by the department of financial institutions;

(7) The authority of the department of financial institutions needs to be clarified, preserved, and assured as the primary instrument of assuring the safety and soundness of banking institutions and nondepository trust companies acting as fiduciaries and engaging in trust business in this state;

(8) Nondepository trust companies should continue to act as fiduciaries and otherwise engage in trust business in this state, so long as they are properly capitalized, competently managed by persons of integrity, and supervised by the department of financial institutions so as to ensure that such trust companies are operated in compliance with law, in a safe and sound manner, and in a manner which protects trust settlors, trust beneficiaries, and the general public in this state; and

(9) The creation of a comprehensive trust institutions act serves the convenience and advantage of Washington state trust settlors and trust beneficiaries, and the state's general public, and preserves and maintains the fairness of competition and parity between Washington state-chartered banking institutions and trust companies, and federally chartered and out-of-state state-chartered banking institutions and trust companies. [2014 c 37 s 1.]