
SUBSTITUTE SENATE BILL 6190

State of Washington

54th Legislature

1996 Regular Session

By Senate Committee on Financial Institutions & Housing (originally sponsored by Senators Prentice, Hale, Fraser, Sutherland, Loveland, Smith, Sellar and Winsley)

Read first time 01/10/96.

1 AN ACT Relating to interstate banking; amending RCW 30.04.010,
2 30.04.232, 30.04.280, 30.08.140, 30.20.060, 39.29.040, 32.04.020,
3 32.08.140, 32.08.142, 32.08.146, and 32.12.020; reenacting and amending
4 RCW 32.04.030 and 32.32.500; adding new sections to chapter 30.04 RCW;
5 adding a new section to chapter 30.49 RCW; adding a new section to
6 chapter 32.04 RCW; adding a new section to chapter 32.08 RCW; adding a
7 new chapter to Title 30 RCW; creating a new section; repealing RCW
8 30.40.020; providing an effective date; and declaring an emergency.

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

10 NEW SECTION. **Sec. 1.** The purpose of this act is to modernize
11 Washington's banking laws to promote the efficient delivery of
12 financial services in this state by authorizing and implementing
13 interstate branching under 12 U.S.C. Sec. 1831u(a)(3)(A) before June 1,
14 1997.

15 **Sec. 2.** RCW 30.04.010 and 1994 c 92 s 7 are each amended to read
16 as follows:

17 Certain terms used in this title shall have the meanings ascribed
18 in this section.

1 "Banking" shall include the soliciting, receiving or accepting of
2 money or its equivalent on deposit as a regular business.

3 "Bank," unless a different meaning appears from the context, means
4 any corporation organized under the laws of this state engaged in
5 banking, other than a trust company, savings association, or a mutual
6 savings bank.

7 "Branch (~~bank~~)" means any established office of deposit (~~(or~~
8 ~~discount)~~), domestic or otherwise, maintained by any bank or trust
9 company(~~(, domestic or otherwise,)~~) other than its (~~(principal place of~~
10 ~~business, regardless of whether it be in the same city or locality.)~~)
11 head office. "Branch" does not mean a machine permitting customers to
12 leave funds in storage or communicate with bank employees who are not
13 located at the site of the machine, unless employees of the bank at the
14 site of the machine take deposits on a regular basis. An office or
15 facility of an entity other than the bank shall not be deemed to be
16 established by the bank, regardless of any affiliation, accommodation
17 arrangement, or other relationship between the other entity and the
18 bank.

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

22 "Trust company," unless a different meaning appears from the
23 context, means any corporation organized under the laws of this state
24 engaged in trust business.

25 (~~(A "savings account" is an account of a bank in respect of which,~~
26 ~~(1) a passbook, certificate or other receipt may be required by the~~
27 ~~bank to be presented whenever a deposit or withdrawal is made and (2)~~
28 ~~the depositor at any time may be required by the bank to give notice of~~
29 ~~an intended withdrawal before the withdrawal is made.~~

30 ~~"Savings bank" shall include (1) any bank whose deposits shall be~~
31 ~~limited exclusively to savings accounts, and (2) the department of any~~
32 ~~bank or trust company that accepts, or offers to accept, deposits for~~
33 ~~savings accounts in accordance with the provisions of this title.~~

34 ~~"Commercial bank" shall include any bank other than one exclusively~~
35 ~~engaged in accepting deposits for savings accounts.)~~

36 "Person" unless a different meaning appears from the context, shall
37 include a firm, association, partnership or corporation, or the plural
38 thereof, whether resident, nonresident, citizen or not.

39 "Director" means the director of financial institutions.

1 "Foreign bank" and "foreign banker" shall include:

2 (1) Every corporation not organized under the laws of the territory
3 or state of Washington doing a banking business, except a national
4 bank;

5 (2) Every unincorporated company, partnership or association of two
6 or more individuals organized under the laws of another state or
7 country, doing a banking business;

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

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

14 **Sec. 3.** RCW 30.04.232 and 1994 c 92 s 23 are each amended to read
15 as follows:

16 (1) In addition to an acquisition pursuant to RCW 30.04.230, an
17 out-of-state bank holding company may acquire more than five percent of
18 the voting stock or all or substantially all of the assets of a bank,
19 trust company, or national banking association, the principal
20 operations of which are conducted within this state, if (~~the following~~
21 ~~terms or conditions are fulfilled:~~

22 ~~(a))~~ the bank, trust company, or national banking association or
23 its predecessor, the voting stock of which is to be acquired, shall
24 have been conducting business for a period of not less than (~~three~~)
25 five years(~~:~~

26 ~~(b) The laws of the state in which the out of state bank holding~~
27 ~~company principally conducts its operations permit a domestic bank~~
28 ~~holding company to acquire more than five percent of the shares of the~~
29 ~~voting stock or all or substantially all of the assets of a bank, trust~~
30 ~~company, or national banking association, the principal operations of~~
31 ~~which are conducted within that state, and permit the operation of the~~
32 ~~acquired bank, trust company, or national banking association within~~
33 ~~that state on terms and conditions no less favorable than other banks,~~
34 ~~trust companies, or national banking associations doing a banking~~
35 ~~business within that state;~~

36 ~~(c) The director, upon the request of any person, shall adopt a~~
37 ~~rule making a determination whether the law, of a particular state or~~
38 ~~states meets the qualifications of (b) of this subsection)).~~

1 (2) The director, consistent with 12 U.S.C. Sec. 1842(d)(2)(D), may
2 approve an acquisition if the standard on which the approval is based
3 does not discriminate against out-of-state banks, out-of-state bank
4 holding companies, or subsidiaries of those banks or holding companies.

5 (3) As used in this section, the terms "bank holding company,"
6 "domestic bank holding company," and "out-of-state bank holding
7 company" shall have the meanings provided in RCW 30.04.230.

8 **Sec. 4.** RCW 30.04.280 and 1955 c 33 s 30.04.280 are each amended
9 to read as follows:

10 No person shall engage in banking except in compliance with and
11 subject to the provisions of this title, ~~((except it be))~~ unless it is
12 a national bank or except insofar as it may be authorized so to do by
13 the laws of this state relating to mutual savings banks ~~((, nor shall~~
14 ~~any))~~ or savings and loan associations. A corporation shall not engage
15 in a trust business except in compliance with and subject to the
16 provisions of this title ~~((, nor shall any))~~. A bank shall not engage
17 in a trust business except as ~~((herein))~~ authorized ~~((, nor shall any))~~
18 under this title. A bank or trust company shall not establish any
19 branch except in accordance with the provisions of this title. ~~((The~~
20 ~~practice of collecting or receiving deposits or cashing checks at any~~
21 ~~place or places other than the place where the usual business of a bank~~
22 ~~or trust company and its operations of discount and deposit are carried~~
23 ~~on shall be held and construed to be establishing a branch.))~~

24 **Sec. 5.** RCW 30.08.140 and 1994 c 92 s 58 are each amended to read
25 as follows:

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

- 29 (1) To adopt and use a corporate seal.
- 30 (2) To have perpetual succession.
- 31 (3) To make contracts.
- 32 (4) To sue and be sued, the same as a natural person.
- 33 (5) To elect directors who, subject to the provisions of the
34 corporation's bylaws, shall have power to appoint such officers as may
35 be necessary or convenient, to define their powers and duties and to
36 dismiss them at pleasure, and who shall also have general supervision
37 and control of the affairs of such corporation.

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

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

9 (8) To discount and negotiate promissory notes, drafts, bills of
10 exchange and other evidences of debt, to receive deposits of money and
11 commercial paper, to lend money secured or unsecured, to issue all
12 forms of letters of credit, to buy and sell bullion, coins and bills of
13 exchange.

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

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

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

1 director, under such general regulations applicable to all banks
2 irrespective of the amount of capital or surplus, as the director may
3 prescribe may authorize any bank to accept such bills to an amount not
4 exceeding at any time in the aggregate one hundred percent of its paid
5 up and unimpaired capital stock and surplus: PROVIDED, FURTHER, That
6 the aggregate of acceptances growing out of domestic transactions shall
7 in no event exceed fifty percent of such capital stock and surplus.

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

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

34 (14) To serve as custodian of an individual retirement account and
35 pension and profit sharing plans qualified under internal revenue code
36 section 401(a), the assets of which are invested in deposits of the
37 bank or trust company or are invested, pursuant to directions from the
38 customer owning the account, in securities traded on a national
39 securities market: PROVIDED, That the bank or trust company shall

1 accept no investment responsibilities over the account unless it is
2 granted trust powers by the director.

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

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

11 NEW SECTION. Sec. 6. A new section is added to chapter 30.04 RCW
12 to read as follows:

13 The director's approval of a branch within the United States or any
14 territory of the United States or in any foreign country shall be
15 conditioned on a finding by the director that the bank has a
16 satisfactory record of compliance with applicable laws and has a
17 satisfactory financial condition. A bank chartered under this title
18 may exercise any powers and authorities at any branch outside
19 Washington that are permissible for a bank operating in that state
20 where the branch is located, except to the extent those activities are
21 expressly prohibited by the laws of this state or by any rule or order
22 of the director applicable to the state bank. However, the director
23 may waive any limitation in writing with respect to powers and
24 authorities that the director determines do not threaten the safety or
25 soundness of the state bank.

26 NEW SECTION. Sec. 7. A new section is added to chapter 30.04 RCW
27 to read as follows:

28 On or before the date on which a bank enters into any agency
29 agreement authorizing another entity, as agent of the bank, to receive
30 deposits or renew time deposits, the bank shall give written notice to
31 the director of the existence of that agency arrangement. The notice
32 is not effective until it has been delivered to the office of the
33 director.

34 **Sec. 8.** RCW 30.20.060 and 1986 c 279 s 38 are each amended to read
35 as follows:

1 A bank or trust company shall repay all deposits to the depositor
2 or his or her lawful representative when required at such time or times
3 and with such interest as the regulations of the corporation shall
4 prescribe. ~~((Such))~~ These regulations shall be prescribed by the
5 directors of the bank or trust company and may contain provisions with
6 respect to the terms and conditions upon which any account or deposit
7 will be maintained by ~~((said))~~ the bank or trust company. ~~((Such))~~
8 These regulations and any amendments ~~((thereto))~~ shall be available to
9 depositors on request, and shall be posted in a conspicuous place in
10 ~~((a room where the deposit business of the bank or trust company shall~~
11 ~~be transacted and shall remain available to depositors upon request))~~
12 the principal office and each branch in this state or, if the
13 regulations and any amendments are not so posted, a description of
14 changes in the regulations after an account is opened shall be mailed
15 to depositors pursuant to 12 U.S.C. Sec. 4305(c) or otherwise. All
16 ~~((such))~~ these rules and regulations and all amendments ~~((thereto from~~
17 ~~time to time in effect))~~ shall be binding upon all depositors. At the
18 option of the bank, a passbook shall be issued to each savings account
19 depositor, or a record maintained in lieu of a passbook. A deposit
20 contract may be adopted by the bank or trust company in lieu of or in
21 addition to account rules and regulations and shall be enforceable and
22 amendable in the same manner as ~~((provided herein for))~~ account rules
23 and regulations or as provided in the deposit contract. A copy of
24 ~~((such))~~ the contract shall be provided to the depositor.

25 NEW SECTION. Sec. 9. A new section is added to chapter 30.49 RCW
26 to read as follows:

27 (1) This section is applicable where the resulting bank would have
28 branches inside and outside the state of Washington.

29 (2) As used in this section, unless a different meaning is required
30 by the context, the following words and phrases have the following
31 meanings:

32 (a) "Combination" means a merger or consolidation, or purchase or
33 sale of all or substantially all of the assets, including all or
34 substantially all of the branches.

35 (b) "Out-of-state bank" means a bank, as defined in 12 U.S.C. Sec.
36 1813(a), which is chartered under the laws of any state other than this
37 state, or a national bank, the main office of which is located in any
38 state other than this state.

1 (c) "State" means any state of the United States, the District of
2 Columbia, any territory of the United States, Puerto Rico, Guam,
3 American Samoa, the Trust Territory of the Pacific Islands, the Virgin
4 Islands, and the Northern Mariana Islands.

5 (3) A bank chartered under this title may engage in a combination
6 or purchase and assumption of one or more branches of an out-of-state
7 bank with an out-of-state bank with the prior approval of the director
8 if the combination or purchase and assumption would result in a bank
9 chartered under this title. Upon notice to the director a bank
10 chartered under this title and an out-of-state bank may engage in a
11 combination if the combination would result in an out-of-state bank.
12 However, that combination shall comply with applicable Washington law
13 as determined by the director, including but not limited to applicable
14 state merger laws, and the conditions and requirements of this section.

15 (4) Applications for the director's approval under subsection (3)
16 of this section shall be on a form prescribed by the director and
17 conditioned upon payment of the fee prescribed pursuant to RCW
18 30.08.095. If the director finds that (a) the proposed combination
19 will not be detrimental to the safety and soundness of the applicant or
20 the resulting bank, (b) any new officers and directors of the resulting
21 bank are qualified by character, experience, and financial
22 responsibility to direct and manage the resulting bank, and (c) the
23 proposed merger is consistent with the convenience and needs of the
24 communities to be served by the resulting bank in this state and is
25 otherwise in the public interest, the director shall approve the
26 interstate combination and the operation of branches outside of
27 Washington by the applicant bank. This transaction may be consummated
28 only after the applicant has received evidence of the director's
29 written approval.

30 (5) Any out-of-state bank that will be the resulting bank pursuant
31 to an interstate combination involving a bank chartered under this
32 title shall notify the director of the proposed combination not later
33 than three days after the date of filing of an application for the
34 combination with the responsible federal bank supervisory agency, and
35 shall submit a copy of that application to the director and pay
36 applicable filing fees, if any, required by the director. In lieu of
37 notice from the proposed resulting bank the director may accept notice
38 from the bank's supervisory agency having primary responsibility for
39 the bank. The director shall have the authority to waive any

1 procedures required by Washington merger laws if the director finds
2 that the procedures are in conflict with applicable federal law or in
3 conflict with the applicable law of the state of the resulting bank.

4 (6) Subject to section 11(2) of this act, the deposit concentration
5 limits stated in 12 U.S.C. Sec. 1831u(b)(2)(B) shall apply to the
6 combination of an out-of-state bank and a nonaffiliated out-of-state
7 bank or bank organized under this title or under the national bank act
8 if the combination is an interstate merger transaction as defined by 12
9 U.S.C. Sec. 1831u(f)(6).

10 (7) A combination resulting in the acquisition, by an out-of-state
11 bank that does not have branches in this state, of a bank organized
12 under this title or the national bank act, shall not be permitted under
13 this chapter unless the bank to be acquired, or its predecessors, have
14 been in continuous operation, on the date of the combination, for a
15 period of at least five years.

16 NEW SECTION. **Sec. 10.** As used in this chapter, unless a different
17 meaning is required by the context, the following words and phrases
18 have the following meanings:

19 (1) "Bank" means any national bank, state bank, and district bank,
20 as those terms are defined in 12 U.S.C. Sec. 1813(a).

21 (2) "Bank holding company" has the meaning set forth in 12 U.S.C.
22 Sec. 1841(a)(1).

23 (3) "Bank supervisory agency" means:

24 (a) Any agency of another state with primary responsibility for
25 chartering and supervising banks; and

26 (b) The office of the comptroller of the currency, the federal
27 deposit insurance corporation, the board of governors of the federal
28 reserve system, and any successor to these agencies.

29 (4) "Control" shall be construed consistently with the provisions
30 of 12 U.S.C. Sec. 1841(a)(2).

31 (5) "Home state" means with respect to a:

32 (a) State bank, the state by which the bank is chartered; or

33 (b) National bank, the state in which the main office of the bank
34 is located under federal law;

35 (6) "Home state regulator" means, with respect to an out-of-state
36 state bank, the bank supervisory agency of the state in which the bank
37 is chartered.

1 (7) "Host state" means a state, other than the home state of a
2 bank, in which the bank maintains, or seeks to establish and maintain
3 a branch.

4 (8) "Interstate combination" means the:

5 (a) Merger or consolidation of banks with different home states,
6 and the conversion of branches of any bank involved in the merger or
7 consolidation into branches of the resulting bank; or

8 (b) Purchase of all or substantially all of the assets, including
9 all or substantially all of the branches, of a bank whose home state is
10 different from the home state of the acquiring bank.

11 (9) "Out-of-state bank" means a bank whose home state is a state
12 other than Washington.

13 (10) "Out-of-state state bank" means a bank chartered under the
14 laws of any state other than Washington.

15 (11) "Resulting bank" means a bank that has resulted from an
16 interstate combination under this chapter.

17 (12) "State" means any state of the United States, the District of
18 Columbia, any territory of the United States, Puerto Rico, Guam,
19 American Samoa, the Trust Territory of the Pacific Islands, the Virgin
20 Islands, and the Northern Mariana Islands.

21 (13) "Washington bank" means a bank whose home state is Washington.

22 (14) "Washington state bank" means a bank organized under
23 Washington banking law.

24 NEW SECTION. **Sec. 11.** (1) An out-of-state bank may engage in
25 banking in this state without violating RCW 30.04.280 only if the
26 conditions and filing requirements of this chapter are met and the bank
27 was lawfully engaged in banking in this state on the effective date of
28 this act or resulted from an interstate combination pursuant to section
29 9 or 28 of this act, or resulted from a relocation of a head office of
30 a state bank pursuant to 12 U.S.C. Sec. 30 and RCW 30.04.215(3), or
31 resulted from a relocation of a main office of a national bank pursuant
32 to 12 U.S.C. Sec. 30, or from the establishment of a branch of a
33 savings bank in compliance with RCW 32.04.030(2). Nothing in this
34 section affects the authorities of alien banks as defined by RCW
35 30.42.020 to engage in banking within this state.

36 (2) The director, consistent with 12 U.S.C. Sec. 1831u(b)(2)(D),
37 may approve an interstate combination if the standard on which the
38 approval is based does not discriminate against out-of-state banks,

1 out-of-state bank holding companies, or subsidiaries of those banks or
2 holding companies.

3 NEW SECTION. **Sec. 12.** An out-of-state bank with host branches in
4 this state may relocate its head office in Washington and reincorporate
5 as a Washington state bank if the director finds that the bank meets
6 the standards as to capital structures, operations, business
7 experience, and character of officers and directors, and the bank
8 follows the procedures specified in this section.

9 The bank shall file with the director on a form prescribed by the
10 director, an application to relocate its head office to Washington.
11 Within six months upon acceptance of a complete application, the
12 director shall notify the bank to file, in triplicate, an executed and
13 acknowledged certificate of reincorporation signed by a majority of the
14 entire board of directors that at least two-thirds of each class of
15 voting stock of the bank entitled to vote thereon has approved the:
16 (1) Head office relocation; (2) change to a Washington state bank; and
17 (3) new articles of incorporation.

18 Within thirty days after receipt of the certificate and articles,
19 the director shall endorse upon each of the triplicate copies, over the
20 director's official signature, the word "approved" or the word
21 "refused," with the date of the endorsement. In case of refusal the
22 director shall immediately return one of the triplicates, so endorsed,
23 together with a statement explaining the reason for refusal to the bank
24 from whom the certificate and articles were received. The refusal
25 shall be conclusive, unless the bank, within ten days of the issuance
26 of the notice of refusal, requests a hearing under chapter 34.05 RCW.

27 NEW SECTION. **Sec. 13.** (1) If authorized to engage in banking in
28 this state under section 11 of this act, an out-of-state bank may
29 maintain and operate the branches in Washington of a Washington bank
30 with which the out-of-state bank or its predecessors engaged in an
31 interstate combination.

32 (2) The out-of-state bank may establish or acquire and operate
33 additional branches in Washington to the same extent that any
34 Washington bank may establish or acquire and operate a branch in
35 Washington under applicable federal and state law.

36 (3) The out-of-state state bank may, at such branches, unless
37 otherwise limited by the bank's home state law, exercise any powers and

1 authorities that are authorized under the laws of this state for
2 Washington state banks.

3 (4) The out-of-state state bank may, at these branches, exercise
4 additional powers and authorities that are authorized under the laws of
5 its home state, only if the director determines in writing that the
6 exercise of the additional powers and authorities in this state will
7 not threaten the safety and soundness of banks in this state and serves
8 the convenience and needs of Washington consumers. Washington state
9 banks also may exercise the powers and authorities under RCW
10 30.08.140(16) or 32.08.140(15).

11 NEW SECTION. **Sec. 14.** (1) The director may make examinations of
12 any branch in this state of an out-of-state state bank as the director
13 deems necessary to determine whether the branch is being operated in
14 compliance with the laws of this state or is conducting its activities
15 in accordance with safe and sound banking practices. The provisions
16 applicable to examinations and sharing of information of Washington
17 state banks shall apply to these examinations.

18 (2) The director may prescribe requirements for reports regarding
19 any branches of an out-of-state bank that operates a branch in
20 Washington pursuant to this chapter. The required reports shall be
21 provided by the bank or by the bank supervisory agency having primary
22 responsibility for the bank. Any reporting requirements prescribed by
23 the director under this subsection shall be consistent with the
24 reporting requirements applicable to Washington state banks and
25 appropriate for the purpose of enabling the director to carry out his
26 or her responsibilities under this chapter.

27 (3) The director may enter into supervisory agreements with any
28 bank supervisory agency that has concurrent jurisdiction over a
29 Washington state bank or an out-of-state state bank operating a branch
30 in this state pursuant to this chapter to engage the services of that
31 agency's examiners at a reasonable rate of compensation, or to provide
32 the services of the director's examiners to that agency at a reasonable
33 rate of compensation. These contracts are exempt from the requirements
34 of chapter 39.29 RCW. The director also may enter into supervisory
35 agreements with other appropriate bank supervisory agencies and the
36 bank to prescribe the applicable laws governing powers and authorities,
37 including but not limited to corporate governance and operational
38 matters, of Washington branches of an out-of-state bank chartered by

1 another state or out-of-state branches of a Washington state bank. The
2 supervisory agreement may resolve conflict of laws among home and host
3 states and specify the manner in which the examination, supervision,
4 and application processes shall be coordinated among the home and host
5 states.

6 (4) The director may enter into joint examinations or joint
7 enforcement actions with other bank supervisory agencies having
8 concurrent jurisdiction over any branch in Washington of an out-of-
9 state state bank or any branch of a Washington state bank in any host
10 state. The director also may at any time take action independently if
11 the director deems it necessary or appropriate to carry out his or her
12 responsibilities under this chapter or to ensure compliance with the
13 laws of this state. However, in the case of an out-of-state state
14 bank, the director shall recognize the exclusive authority of the home
15 state regulator over corporate governance and operational matters and
16 the primary responsibility of the home state regulator with respect to
17 safety and soundness matters, unless otherwise specified in the
18 supervisory agreement executed pursuant to this section.

19 (5) Each out-of-state state bank that maintains one or more
20 branches in this state may be assessed and, if assessed, shall pay
21 supervisory and examination fees in accordance with the laws of this
22 state and rules of the director. The director is authorized to enter
23 into agreements to share fees with other bank supervisory agencies or
24 any organization affiliated with or representing one or more bank
25 supervisory agencies.

26 NEW SECTION. **Sec. 15.** If the director determines that a branch
27 maintained by an out-of-state state bank in this state is being
28 operated in violation of the laws of this state, or that the branch is
29 being operated in an unsafe and unsound manner, the director has the
30 authority to take all enforcement actions he or she would be empowered
31 to take if the branch were a Washington state bank. However, the
32 director shall promptly give notice to the home state regulator of each
33 enforcement action taken against an out-of-state state bank and, to the
34 extent practicable, shall consult and cooperate with the home state
35 regulator in pursuing and resolving the enforcement action.

36 NEW SECTION. **Sec. 16.** The director may adopt those rules
37 necessary to implement chapter . . . , Laws of 1996 (this act).

1 NEW SECTION. **Sec. 17.** (1) Any out-of-state state bank that will
2 be the resulting bank pursuant to an interstate combination involving
3 any bank with branches in Washington, if section 9(5) of this act does
4 not apply, shall notify the director of the proposed combination not
5 later than three days after the date of filing of an application for
6 the combination with the responsible federal bank supervisory agency,
7 and shall submit a copy of the application to the director and pay
8 applicable application fees, if any, required by the director. In lieu
9 of notice from the out-of-state state bank the director may accept
10 notice from the bank's home state regulator. The director has the
11 authority to waive any procedures required by Washington merger laws if
12 the director finds that the provision is in conflict with the
13 applicable federal law or in conflict with the applicable law of the
14 state of the resulting bank.

15 (2) An out-of-state state bank that has established and maintains
16 a branch in this state pursuant to this chapter shall give at least
17 thirty days' prior written notice or, in the case of an emergency
18 transaction, shorter notice as is consistent with the applicable state
19 or federal law, to the director of any transaction that would cause a
20 change of control with respect to the bank or any bank holding company
21 that controls the bank, with the result that an application would be
22 required to be filed pursuant to the federal change in bank control act
23 of 1978, as amended, 12 U.S.C. Sec. 1817(j), or the federal bank
24 holding company act of 1956, as amended, 12 U.S.C. Sec. 1841 et seq.,
25 or any successor statutes. In lieu of notice from the out-of-state
26 state bank the director may accept notice from the bank's home state
27 regulator.

28 NEW SECTION. **Sec. 18.** (1) The laws of Washington applicable to
29 Washington state banks regarding community reinvestment, consumer
30 protection, fair lending, and the establishment of intrastate branches
31 apply to any branch in Washington of an out-of-state national bank or
32 out-of-state state bank to the same extent as Washington laws apply to
33 a Washington state bank. In lieu of taking action directly against an
34 out-of-state state bank to enforce compliance with these Washington
35 laws on host state branches, the director may refer action to the home
36 state regulator, but the director retains enforcement powers to ensure
37 that compliance is satisfactory to the director.

1 (2) Any host state branch of a Washington state bank shall comply
2 with all applicable host state laws concerning community reinvestment,
3 consumer protection, fair lending, and the establishment of intrastate
4 branches.

5 (3) In the event that the responsible federal chartering authority,
6 pursuant to applicable federal law, or in the event a court of
7 competent jurisdiction declares that any Washington state law is
8 invalid with respect to an out-of-state or national bank, that
9 Washington state law is also invalid with respect to Washington state
10 banks and to host branches of out-of-state state banks to that same
11 extent. The director may, from time to time, publish by rule
12 Washington state laws that have been found invalidated pursuant to
13 federal law and procedures. This subsection does not impair, in any
14 manner, the authority of the state attorney general to enforce
15 antitrust laws applicable to banks, bank holding companies, or
16 affiliates of those banks or bank holding companies.

17 **Sec. 19.** RCW 39.29.040 and 1995 c 80 s 1 are each amended to read
18 as follows:

19 This chapter does not apply to:

20 (1) Contracts specifying a fee of less than two thousand five
21 hundred dollars if the total of the contracts from that agency with the
22 contractor within a fiscal year does not exceed two thousand five
23 hundred dollars;

24 (2) Contracts awarded to companies that furnish a service where the
25 tariff is established by the utilities and transportation commission or
26 other public entity;

27 (3) Intergovernmental agreements awarded to any governmental
28 entity, whether federal, state, or local and any department, division,
29 or subdivision thereof;

30 (4) Contracts awarded for services to be performed for a standard
31 fee, when the standard fee is established by the contracting agency or
32 any other governmental entity and a like contract is available to all
33 qualified applicants;

34 (5) Contracts for services that are necessary to the conduct of
35 collaborative research if prior approval is granted by the funding
36 source;

37 (6) Contracts for client services;

1 (7) Contracts for architectural and engineering services as defined
2 in RCW 39.80.020, which shall be entered into under chapter 39.80 RCW;
3 (~~and~~)

4 (8) Contracts for the employment of expert witnesses for the
5 purposes of litigation; and

6 (9) Contracts for bank supervision authorized under section 14 of
7 this act.

8 **Sec. 20.** RCW 32.04.020 and 1994 c 92 s 293 are each amended to
9 read as follows:

10 The use of the term "savings bank" in this title refers to mutual
11 savings banks and converted mutual savings banks only.

12 The use of the words "mutual savings" as part of a name under which
13 business of any kind is or may be transacted by any person, firm, or
14 corporation, except such as were organized and in actual operation on
15 June 9, 1915, or as may be thereafter organized and operated under the
16 requirements of this title is hereby prohibited.

17 The use of the term "director" in this title refers to the director
18 of financial institutions.

19 The use of the word "branch" in this title refers to an established
20 (~~place of business or manned mobile facility or other manned~~
21 ~~facility of a savings bank,)) office or facility other than the
22 principal office, at which employees of the savings bank take deposits
23 (~~may be taken)). The term "branch" in this title does not refer to a
24 machine permitting customers to leave funds in storage or communicate
25 with savings bank employees who are not located at the site of that
26 machine, unless employees of the savings bank at the site of that
27 machine take deposits on a regular basis. An office of an entity other
28 than the savings bank is not established by the savings bank,
29 regardless of any affiliation, accommodation arrangement, or other
30 relationship between the other entity and the savings bank.~~~~

31 **Sec. 21.** RCW 32.04.030 and 1994 c 256 s 93 and 1994 c 92 s 294 are
32 each reenacted and amended to read as follows:

33 A savings bank may not, without the written approval of the
34 director, establish and operate branches in any place (~~within the~~
35 ~~state)).~~

1 A savings bank headquartered in this state desiring to establish a
2 branch shall file a written application with the director, who shall
3 approve or disapprove the application.

4 The director's approval shall be conditioned on a finding that the
5 (~~resources in the market area of the proposed location offer a~~
6 ~~reasonable promise of adequate support for the proposed branch and that~~
7 ~~the proposed branch is not being formed for other than the legitimate~~
8 ~~purposes under this title. A branch shall not be established or~~
9 ~~permitted if the capital of the savings bank, including paid in~~
10 ~~surplus, guaranty fund, and undivided profits, is less than the~~
11 ~~aggregate paid in capital which would be required by law as a~~
12 ~~prerequisite to the establishment and operation of an equal number of~~
13 ~~branches in like locations by a commercial bank)) savings bank has a
14 satisfactory record of compliance with applicable laws and has a
15 satisfactory financial condition. In making such findings, the
16 director may rely on an application in the form filed with the federal
17 deposit insurance corporation pursuant to 12 U.S.C. Sec. 1828(d). If
18 the application for a branch is not approved, the savings bank shall
19 have the right to appeal in the same manner and within the same time as
20 provided by RCW 32.08.050 and 32.08.060. The savings bank when
21 delivering the application to the director shall transmit to the
22 director a check in an amount established by rule to cover the expense
23 of the investigation. A savings bank headquartered in this state shall
24 not move its headquarters or any branch more than two miles from its
25 existing location without prior approval of the director. On or before
26 the date on which it opens any office at which it will transact
27 business in any state, territory, province, or other jurisdiction, a
28 savings bank shall give written notice to the director of the location
29 of this office. No such notice shall become effective until it has
30 been delivered to the director.~~

31 The board of trustees of a savings bank, after notice to the
32 director, may discontinue the operation of a branch. The savings bank
33 shall keep the director informed in the matter and shall notify the
34 director of the date operation of the branch is discontinued.

35 (1) A savings bank that is headquartered in this state and is
36 operating branches in another state, territory, province, or other
37 jurisdiction may provide copies of state examination reports and
38 reports of condition of the savings bank to the regulator having
39 oversight responsibility with regard to its operations in that

1 ((state)) other jurisdiction, including the regulator of savings
2 associations in the event such a savings bank is transacting savings
3 and loan business pursuant to RCW 32.08.142 in that ((state)) other
4 jurisdiction.

5 (2) No savings bank headquartered in another state may establish,
6 or acquire pursuant to RCW 32.32.500, and operate branches as a savings
7 bank in any place within the state unless:

8 (a) The savings bank has filed with the director an agreement to
9 comply with the requirements of section 14 of this act for periodic
10 reports by the savings bank or by the appropriate state superintendent
11 or equivalent regulator of the savings bank under the laws of the state
12 in which the savings bank is incorporated ((shall have agreed to supply
13 the director with such examination reports and reports of condition as
14 the director shall deem sufficient to allow the director to ascertain
15 on a current basis the financial condition of the savings bank)),
16 unless the laws expressly require the provision of all the reports to
17 the director;

18 (b) The savings bank ((shall have)) has filed with the director (i)
19 a duly executed instrument in writing, by its terms of indefinite
20 duration and irrevocable, appointing the director and his or her
21 successors its true and lawful attorney, upon whom all process in any
22 action or proceeding against it in a cause of action arising out of
23 business transacted by such savings bank in this state, may be served
24 with the same force and effect as if it were a domestic corporation and
25 had been lawfully served with process within the state, and (ii) a
26 written certificate of designation, which may be changed from time to
27 time by the filing of a new certificate of designation, specifying the
28 name and address of the officer, agent, or other person to whom such
29 process shall be forwarded by the director; and

30 (c) The savings bank ((shall have)) has supplied the director with
31 such information as he or she shall require by rule, not to exceed the
32 information on which the director may rely in approving a branch
33 application pursuant to this section by a savings bank headquartered in
34 this state.

35 A savings bank headquartered in another state may not establish and
36 operate branches as a foreign savings association in any place within
37 the state except upon compliance with chapter 33.32 RCW.

1 NEW SECTION. **Sec. 22.** A new section is added to chapter 32.04 RCW
2 to read as follows:

3 On or before the date on which a mutual savings bank enters into
4 any agency agreement authorizing another entity, as agent of the mutual
5 savings bank, to receive deposits or renew time deposits, the mutual
6 savings bank shall give written notice to the director of the existence
7 of the agency agreement. The notice is not effective until it has been
8 delivered to the office of the director.

9 **Sec. 23.** RCW 32.08.140 and 1994 c 92 s 319 are each amended to
10 read as follows:

11 Every mutual savings bank incorporated under this title shall have,
12 subject to the restrictions and limitations contained in this title,
13 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.

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.

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

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.

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
36 notice shall be given to the director of all amounts so borrowed, and
37 of all assets so pledged or hypothecated.

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

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

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

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

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

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

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

38 (12) To make and amend bylaws consistent with law for the
39 management of its property and the conduct of its business.

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

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

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

12 (16) To exercise the powers and authorities conferred by RCW
13 30.04.215, if upon a finding by the director that a determination made
14 by a regulatory or judicial authority of competent jurisdiction will
15 result in the imposition, on a transaction subject to RCW 32.32.500, of
16 the concentration limits specified in section 9(6) of this act,
17 notwithstanding the concentration limits specifically applied by RCW
18 32.32.500(3).

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

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

23 **Sec. 24.** RCW 32.08.142 and 1994 c 256 s 98 are each amended to
24 read as follows:

25 Notwithstanding any restrictions, limitations, and requirements of
26 law, in addition to all powers, express or implied, that a mutual
27 savings bank has under the laws of this state, a mutual savings bank
28 shall have the powers and authorities ~~((of))~~ that a federal mutual
29 savings bank(~~(s formed under the provisions of 12 U.S.C. Sec. 1464))~~)
30 had on July 28, 1985, or a subsequent date not later than the effective
31 date of this act. As used in this section, "powers and authorities"
32 include without limitation powers and authorities in corporate
33 governance matters.

34 The restrictions, limitations, and requirements applicable to
35 specific powers or authorities of federal mutual savings banks shall
36 apply to mutual savings banks exercising those powers or authorities
37 permitted under this section but only insofar as the restrictions,

1 limitations, and requirements relate to exercising the powers or
2 authorities granted mutual savings banks solely under this section.

3 **Sec. 25.** RCW 32.08.146 and 1994 c 256 s 99 are each amended to
4 read as follows:

5 A mutual savings bank may exercise the powers and authorities
6 granted, after the effective date of this act, to federal mutual
7 savings banks (~~((formed under the provisions of 12 U.S.C. Sec. 1464~~
8 ~~after July 28, 1985))~~ or their successors under federal law, only if
9 the director finds that the exercise of such powers and authorities:

10 (1) Serves the convenience and advantage of depositors and
11 borrowers; and

12 (2) Maintains the fairness of competition and parity between state-
13 chartered savings banks and federal savings banks or their successors
14 under federal law.

15 As used in this section, "powers and authorities" include without
16 limitation powers and authorities in corporate governance matters.

17 The restrictions, limitations, and requirements applicable to
18 specific powers or authorities of federal mutual savings banks or their
19 successors under federal law shall apply to mutual savings banks
20 exercising those powers or authorities permitted under this section but
21 only insofar as the restrictions, limitations, and requirements relate
22 to exercising the powers or authorities granted mutual savings banks
23 solely under this section.

24 NEW SECTION. **Sec. 26.** A new section is added to chapter 32.08 RCW
25 to read as follows:

26 In addition to all powers and authorities, express or implied, that
27 a mutual savings bank has under the laws of this state, a mutual
28 savings bank chartered under this title may exercise any powers and
29 authorities at any branch outside Washington that are permissible for
30 a savings bank operating in the jurisdiction where that branch is
31 located, or for a bank, savings association, or similar financial
32 institution operating in the jurisdiction if the laws of the
33 jurisdiction do not provide for the operation of savings banks in the
34 jurisdiction, except to the extent that the exercise of these powers
35 and authorities is expressly prohibited or limited by the laws of this
36 state or by any rule or order of the director applicable to the mutual
37 savings bank. However, the director may waive any limitation in

1 writing with respect to powers and authorities that the director
2 determines do not threaten the safety or soundness of the mutual
3 savings bank.

4 **Sec. 27.** RCW 32.12.020 and 1994 c 92 s 324 are each amended to
5 read as follows:

6 The sums deposited with any savings bank, together with any
7 dividends or interest credited thereto, shall be repaid to the
8 depositors thereof respectively, or to their legal representatives,
9 after demand in such manner, and at such times, and under such
10 regulations, as the board of trustees shall prescribe, subject to the
11 provisions of this section and chapter 30.22 RCW. ~~((Such))~~ These
12 regulations shall be available to depositors upon request, and shall be
13 posted in a conspicuous place in the ~~((room where the business of such~~
14 ~~savings bank shall be transacted, and shall be available to depositors~~
15 ~~upon request))~~ principal office and each branch in this state or, if
16 the regulations are not so posted, a description of changes in the
17 regulations after an account is opened shall be mailed to depositors
18 pursuant to 12 U.S.C. Sec. 4305(c) or otherwise. All such rules and
19 regulations, and all amendments thereto, from time to time in effect,
20 shall be binding upon all depositors.

21 (1) Such bank may at any time by a resolution of its board of
22 trustees require a notice of not more than six months before repaying
23 deposits, in which event no deposit shall be due or payable until the
24 required notice of intention to withdraw the same shall have been
25 personally given by the depositor: PROVIDED, That such bank at its
26 option may pay any deposit or deposits before the expiration of such
27 notice. But no bank shall agree with its depositors or any of them in
28 advance to waive the requirement of notice as herein provided:
29 PROVIDED, That the bank may create a special class of depositors who
30 shall be entitled to receive their deposits upon demand.

31 (2) Except as provided in subdivisions (3), (4), and (5) of this
32 section the savings bank shall not pay any dividend, or interest, or
33 deposit, or portion thereof, or any check drawn upon it by a depositor
34 unless the certificate of deposit is produced or bears a legend stating
35 it may be paid without production, or the passbook of the depositor is
36 produced and the proper entry is made therein, at the time of the
37 payment.

1 (3) The board of trustees of any such bank may by its bylaws
2 provide for making payments in cases of loss of passbook or certificate
3 of deposit, or other exceptional cases where the passbooks or
4 certificates of deposit cannot be produced without loss or serious
5 inconvenience to depositors, the right to make such payments to cease
6 when so directed by the director upon his or her being satisfied that
7 such right is being improperly exercised by any such bank; but payments
8 may be made at any time upon the judgment or order of a court.

9 (4) The board of trustees of any such bank may by its bylaws
10 provide for making payments to depositors at their request, of
11 dividends or interest payable on any deposit, without requiring the
12 production of the passbook or certificate of deposit of the depositor,
13 and any payment made in accordance with any such request and the
14 receipt or acquittance of the one to whom such payment is made shall be
15 a valid and sufficient release and discharge to such savings bank for
16 all payments made on account of such request prior to receipt by such
17 savings bank of notice in writing not to pay such sums in accordance
18 with the terms of such request.

19 (5) The issuance of a passbook or certificate of deposit may be
20 omitted for any account if an adequate record thereof is maintained, in
21 lieu of a passbook or certificate of deposit, on which shall be entered
22 deposits, withdrawals, and interest credited: PROVIDED, That in any
23 event a passbook shall be issued upon the request of any passbook
24 account depositor.

25 **Sec. 28.** RCW 32.32.500 and 1994 c 256 s 111 and 1994 c 92 s 404
26 are each reenacted and amended to read as follows:

27 (1) A savings bank may merge with, consolidate with, convert into,
28 acquire ~~((the assets))~~ a branch or branches of, or sell its ~~((assets))~~
29 branch or branches to any other financial institution chartered or
30 authorized to do business in this state under Titles 30, 32, or 33 RCW
31 or under the federal laws relating to depository institutions as
32 defined in 12 U.S.C. Sec. 461 or the laws of any other state,
33 territory, province, or other jurisdiction of the United States or
34 another nation, or to a holding company thereof, subject to ~~((+1))~~ the
35 approval of (a) the director of financial institutions if the surviving
36 institution is one chartered under Title 30, 32, or 33 RCW, or ~~((+2))~~
37 (b) if the surviving institution is to be a ~~((national))~~ bank, ~~((the~~
38 ~~comptroller of currency or its successor under 12 U.S.C. Sec. 35, 12~~

1 U.S.C. Sec. 215, 12 U.S.C. Sec. 215a, and 12 U.S.C. Sec. 1828c, or (3)
2 if the surviving institution is to be a federal savings and loan
3 association or a federal savings and loan holding company, the office
4 of thrift supervision or its successor under 12 U.S.C. Sec. 1464 (a),
5 12 U.S.C. Sec. 1467a, and 12 U.S.C. Sec. 1828(c), or (4)) savings
6 bank, savings and loan association, or other depository institution
7 that is federally chartered under the laws of the United States, the
8 federal regulatory authority having jurisdiction over the transaction
9 under the applicable laws, or (c) if the surviving institution is to be
10 a bank, savings bank, savings and loan association, or other depository
11 or financial institution that is chartered under the laws of another
12 state or territory of the United States, the regulatory authority
13 having jurisdiction over that transaction under the applicable laws, or
14 (d) if the surviving institution is to be a bank, savings bank, savings
15 and loan association, or other depository or financial institution that
16 is chartered under the laws of a nation other than the United States
17 or of a state, territory, province, or other jurisdiction of such
18 nation, the director of financial institutions, or (e) if the surviving
19 institution is to be a bank holding company, the Federal Reserve Board
20 or its successor under 12 U.S.C. Sec. 1842 (a) and (d).

21 (2) In the case of a liquidation, acquisition, merger,
22 consolidation, or conversion of a converted savings bank, chapter 32.34
23 RCW shall apply.

24 (3) The concentration limits applicable to these transactions,
25 pursuant to 12 U.S.C. Sec. 1831u(b)(2)(C) with respect to interstate
26 transactions, shall be those imposed pursuant to 12 U.S.C. Sec.
27 1828(c)(5), as applied by the federal regulatory authority having
28 jurisdiction over that transaction under the applicable law, in lieu of
29 the concentration limits of 12 U.S.C. Sec. 1831u(b)(2)(B).

30 NEW SECTION. Sec. 29. RCW 30.40.020 and 1994 c 92 s 79, 1986 c
31 279 s 39, 1981 c 73 s 2, 1973 1st ex.s. c 53 s 35, 1969 c 136 s 6, &
32 1955 c 33 s 30.40.020 are each repealed.

33 NEW SECTION. Sec. 30. This act is necessary for the immediate
34 preservation of the public peace, health, or safety, or support of the
35 state government and its existing public institutions, and shall take
36 effect June 1, 1996.

1 NEW SECTION. **Sec. 31.** Sections 10 through 18 of this act shall
2 constitute a new chapter in Title 30 RCW.

3 NEW SECTION. **Sec. 32.** If any provision of this act or its
4 application to any person or circumstance is held invalid, the
5 remainder of the act or the application of the provision to other
6 persons or circumstances is not affected.

--- END ---