



**RULE-MAKING ORDER**  
(RCW 34.05.360)

**CR-103** (10/1/89)

Agency: General Administration, Division of Banking

- Permanent Rule  
 Emergency Rule

(1) Date of adoption: August 30, 1991

(2) Purpose: To revise the procedure and rates used by the division of banking to collect revenues for the proper operation of the examination and supervision functions of the division.

(3) Citation of existing rules affected by this order:

Repealed:

Amended: WAC 50-44 et. seq.

Suspended:

(4) Authority for adoption:

Statute: RCW 30.04.070 and RCW 30.08.095

Other Authority:

**(5.1) PERMANENT RULE ONLY**

Pursuant to notice filed as WSR 91-15-102 on July 24, 1991 (date).

Describe any changes other than editing from proposed to adopted version:

Based on the only comments received during the formal comment period and at the hearing, the sunset provision concerning the rebate process in WAC 50-44-050(7) was changed to two years.

**(5.2) EMERGENCY RULE ONLY**

Pursuant to RCW 34.05.350 the agency for good cause finds:

- (a) That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest.
- (b) That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule.

Reasons for this finding:

(5.3) Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

Yes  No If yes, explain:

(6) Effective date of rule:

**Permanent Rules**

31 days after filing

Other (specify) \_\_\_\_\_ \*

\*(If less than 31 days after filing, specific finding in 5.3 under RCW 34.05.380(3) is required)

**Emergency Rules**


Immediately

Later (specify) \_\_\_\_\_

**CODE REVISER USE ONLY**

CODE REVISER'S OFFICE  
STATE OF WASHINGTON  
FILED

AUG 30 1991

TIME: 2:29   
WSR 91-18-054

NAME (TYPE OR PRINT)

Thomas H. Oldfield

SIGNATURE

*Thomas H. Oldfield*

Supervisor of Banking

DATE

8-30-91



(2) Alien banks.

~~((if the bank's total assets are ----- The assessment is:))~~

The rate of such charge shall be .000035189 of the total asset value as reflected in the report of condition due for that period provided, the supervisor may adjust such rate if the supervisor determines that a disproportionate amount of revenue is being collected by such rate.

<del>Over</del>	<del>But not Over</del>	<del>This Amount</del>	<del>Plus</del>	<del>Of Excess Over</del>
<del>Million</del>	<del>Million</del>			<del>Million</del>
<del>0</del>	<del>50</del>	<del>100</del>	<del>.00005</del>	<del>0</del>
<del>50</del>	<del>100</del>	<del>2,600</del>	<del>.00007</del>	<del>50</del>
<del>100</del>	<del>500</del>	<del>6,100</del>	<del>.00004</del>	<del>100</del>
<del>500</del>	<del>750</del>	<del>22,100</del>	<del>.000035</del>	<del>500</del>
<del>750</del>	<del>1,000</del>	<del>30,050</del>	<del>.00003</del>	<del>750</del>
<del>1,000</del>		<del>30,350</del>	<del>.000025</del>	<del>1,000</del>

(3) Industrial loan companies and, effective January 1, 1992, consumer finance licensees under chapter 208, Laws of 1991.

~~((if the total assets on a consolidated basis are ----- The assessment is:))~~

The rate of such charge shall be .000084896 of the total asset value as reflected in the consolidated annual report of Washington assets or semiannual notice of assessment of Washington assets (whichever is applicable) due for that period provided, the supervisor may adjust such rate if the supervisor determines that a disproportionate amount of revenue is being collected by such rate.

<del>Over</del>	<del>But not Over</del>	<del>This Amount</del>	<del>Plus</del>	<del>Of Excess Over</del>
<del>Million</del>	<del>Million</del>			<del>Million</del>
<del>0</del>	<del>1</del>	<del>\$--250</del>		
<del>1</del>		<del>250</del>	<del>.000075</del>	<del>1</del>

The supervisor's office shall forward by United States mail a notice to each financial institution showing the manner of calculating the asset charge due and a worksheet for such purposes. The notices shall be mailed with the blank June and December report of condition commencing with the June 1990 report of condition applicable to commercial, savings and alien banks and the consolidated annual report and a semiannual notice of assessment applicable to industrial loan companies. The asset charge shall be calculated by the financial institution and forwarded to the office of the supervisor of banking with the applicable report. A completed copy of the worksheet shall be included with the assessment. An additional two hundred dollar penalty shall be assessed if the amount is not paid ~~((within the time specified))~~ by the time such report of condition or notice of assessment is due.

AMENDATORY SECTION (Amending WSR 90-12-007, filed 5/25/90, effective 6/25/90)

WAC 50-44-030 HOURLY FEES AND CHARGES--REGULAR, INCLUDING EXTRAORDINARY EXAMINATION AND SPECIAL EXAMINATIONS. Each bank, mutual savings bank, trust company, alien bank, or industrial loan company shall pay to the supervisor the following fees:

(1) For regular examinations, including extraordinary examinations for the express purpose of examining unusual conditions or circumstances, including extensions of regular examinations wherein conditions may warrant extension of time required in the examination beyond normal allotted time and such other reviews as determined by the supervisor; ~~((forty-five))~~ sixty-five dollars per hour. The supervisor may charge the actual cost of examinations performed under personal service contracts by third parties.

(2) For electronic data processing examination, trust examination, or other examination requiring specialized expertise, ~~((fifty-five))~~ ninety dollars per hour. Electronic data processing centers and trust companies are exempt from the asset assessment provisions of WAC 50-44-020(1) if such centers or companies are not a part of the assets of the bank as reported in the report of condition.

(3) The supervisor shall submit a statement for the foregoing charges following the completion of any applicable examination, and the charges shall be paid not later than thirty days after submission of such statement.

(4) These charges shall become effective for invoicing that occurs after the effective date of this rule, provided such invoicing relates to examinations occurring on or after July 1, 1991.

AMENDATORY SECTION (Amending WSR 90-12-007, filed 5/25/90, effective 6/25/90)

WAC 50-44-050 LIMITATIONS ON ASSESSMENTS. (1) Definitions. For purposes of this provision, the following terms, or the plural thereof, shall have the meaning ascribed.

(a) "Rural community" is a community of population less than ten thousand inhabitants located in a county without a metropolitan sampling area ("MSA"), as established by the United States Office of Management and Budget.

(b) "Economically distressed area" is a county with an unemployment rate that is twenty percent above the state-wide average for the previous three years; or a community that has experienced sudden and severe or long-term and severe loss of employment, or erosion of its economic base due to decline of its dominant industries; or an area within a county which area:

- (i) Is composed of contiguous census tracts;
- (ii) Has a minimum population of five thousand persons;
- (iii) Has at least seventy percent of its families and unrelated individuals with incomes below eighty percent of the county's median income for families and unrelated individuals; and
- (iv) Has an unemployment rate which is at least forty percent higher than the county's unemployment rate.

(c) "Located" means the institution's primary market area where at least sixty percent of the institution's deposits are booked.

(2) Limit on assessment. If an institution is located in a rural community or economically distressed area, and if the charges assessed under WAC 50-44-020(1) relating to a semiannual asset charge (~~((in))~~ and WAC 50-44-030(1) relating to the hourly examination fee, (~~((shall not))~~ exceed ~~((eighty))~~ ninety-five percent of the assessment charge applicable for a two-year period of the Office of the Comptroller of the Currency ("OCC") or its successor then the assessments paid in excess of such amount shall be rebated to the institution pursuant to subsection (5) of this section unless abated by the supervisor as provided in subsection (6) of this section.

~~((2))~~ (3) Determination. For purposes of determining rebate entitlement, the total of semiannual assessments and examination fees are determined by adding the monthly average semiannual assessment and the monthly average of the examination fees for any twenty-four month period after June 1, 1990. The monthly average is determined by dividing the semiannual assessment fee by six and applying the monthly

average to the previous six months. The monthly average examination fee is determined by dividing the examination fee for each examination during the averaging period by the number of months between each such examination and the previous examination as determined by the date of the examinations and applying the monthly average to those months. The OCC charge is determined in the same manner.

~~((3))~~ (4) Rebate. The rebate is determined by the difference between the sum of the applicable monthly average state charges for the twenty-four month period minus ~~((eighty))~~ ninety-five percent of the sum of the applicable monthly average OCC charge for the same period, as each are determined in subsection ~~((2))~~ (3) of this section. The total amounts of all rebates shall not exceed three-quarters of one percent of the current biennium budget.

~~((4))~~ (5) Petition. Entitlement of the rebate shall occur only upon petition and proof to the supervisor during the first month of the last quarter of the current biennium.

~~((5))~~ (6) Rebate abatement. At the discretion of the supervisor, all or part of the rebate determined under subsection (4) of this section may be denied if the supervisor determines that:

(a) The institution required a substantially greater than average amount of supervisory time for reasons other than as a result of economic, legal, regulatory, or other conditions beyond the control of competent management;

(b) The institution required a substantially greater than average amount of examination time for an institution of its size for reasons other than as a result of economic, legal, regulatory, or other conditions beyond the control of competent management;

(c) Examinations or investigations were performed by third parties under personal services contracts; or

(d) Such other factors as the supervisor may deem equitable or relevant.

(7) Institutions may become eligible to receive a rebate ~~((s-shall become-eligible))~~ on ~~((June-1, 1992,))~~ or after April 1, 1993, for amounts paid on or after the 1991-1993 biennium and such eligibility shall continue for ~~((six))~~ two years thereafter.

#### NEW SECTION

WAC 50-44-060 BANKING FUND--MINIMUM CASH BALANCE. The supervisor shall maintain a minimum cash balance in the banking fund (RCW 43.19.095) of at least one month's allotment. One month's allotment is based upon the current biennium budget divided by twenty-four months. In the event the banking fund balance drops below this figure the supervisor shall declare the next semiannual asset assessment due; payment within thirty days of such declaration. The supervisor shall bill each institution based on the most current report of condition and payment shall be in lieu of the next regularly scheduled asset assessment.