
SENATE BILL 5194

State of Washington

53rd Legislature

1993 Regular Session

By Senators Moore and Amondson

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1 AN ACT Relating to consolidation of administration of financial
2 institutions, securities, and corporate affairs; amending RCW
3 21.20.005, 21.20.450, 21.20.720, 30.12.190, 31.12.005, 31.12A.010,
4 31.24.020, 31.24.080, 31.24.120, 31.30.010, 31.30.150, 33.04.010,
5 33.04.110, 33.46.020, 33.46.030, 33.46.040, 33.46.050, 33.46.060,
6 33.46.080, 33.46.130, 43.17.010, 43.17.020, 43.19.010, 43.19.015,
7 43.19.020, 43.19.040, 43.19.050, 43.19.080, 43.19.090, 43.19.095,
8 43.19.100, 43.19.110, 43.19.112, 43.24.020, 43.24.024, 46.01.011,
9 46.01.050, 43.07.030, 43.07.120, 43.07.130, 43.07.140, 43.07.170,
10 43.07.180, 43.07.190, and 43.07.210; adding a new chapter to Title 43
11 RCW; creating new sections; recodifying RCW 43.07.170, 43.07.180,
12 43.19.190, 43.07.200, 43.07.210, 43.19.020, 43.19.030, 43.19.040,
13 43.19.050, 43.19.080, 43.19.090, 43.19.095, 43.19.100, 43.19.110, and
14 43.19.112; prescribing penalties; and providing an effective date.

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

16 NEW SECTION. **Sec. 1.** The legislature finds that the consolidation
17 of the agencies regulating financial institutions, corporations, and
18 securities laws into one department will better serve the public
19 interest through centralizing state regulation of related areas.

1 Therefore, to achieve administrative and public convenience,
2 centralized policy making, and the more efficient use of state
3 resources, the state desires to combine the regulation of financial
4 institutions, corporations, and securities laws.

5 NEW SECTION. **Sec. 2.** A state department of financial
6 institutions, securities, and corporate affairs is created. The head
7 of the department shall be known as the director of financial
8 institutions, securities, and corporate affairs. There shall be four
9 divisions within the department: A division of banking, headed by the
10 supervisor of banking; a division of credit unions, headed by the
11 supervisor of credit unions; a division of securities, headed by the
12 securities administrator; and a division of corporations, headed by the
13 corporations administrator.

14 No person is eligible for appointment as director of financial
15 institutions, securities, and corporate affairs unless he or she is,
16 and for the last two years before appointment has been, a citizen of
17 the United States; nor if he or she has an interest in a bank, trust
18 company, credit union, consumer loan company, savings bank, savings and
19 loan association, or securities company as director, officer, or
20 stockholder unless the appointee resigns as a director or officer or
21 disposes of the stock before assuming office as director.

22 The director shall exercise all powers and perform all the duties
23 and functions prescribed by law before September 1, 1993, with respect
24 to financial institutions, check cashers and sellers, trust companies
25 and departments, securities, and corporations that were exercised
26 before that date by the department of general administration, the
27 department of licensing, and the secretary of state.

28 NEW SECTION. **Sec. 3.** The director may adopt rules under chapter
29 34.05 RCW necessary to implement the powers and duties imposed upon the
30 director.

31 NEW SECTION. **Sec. 4.** (1) All powers, duties, and functions of the
32 department of general administration under Titles 30, 31, 32, 33, and
33 43 RCW and any other statute pertaining to duties relating to banks,
34 trust companies and departments, savings banks, consumer loan
35 companies, credit unions, savings and loan associations, check cashers
36 and sellers, and other similar institutions are transferred to the

1 department of financial institutions, securities, and corporate
2 affairs. All references to the director or department of general
3 administration in the Revised Code of Washington shall be construed to
4 mean the director or the department of financial institutions,
5 securities, and corporate affairs when referring to the functions
6 transferred in this section.

7 (2) All powers, duties, and functions of the secretary of state
8 under Titles 18, 19, 23, 23B, 24, 25, 30, 31, 32, and 33 RCW and any
9 other statute pertaining to profit and nonprofit corporations,
10 charitable organizations, trademarks, trade names, cooperative
11 associations, Massachusetts trusts, fraternal societies, and
12 partnerships are transferred to the department of financial
13 institutions, securities, and corporate affairs. All references to the
14 secretary of state in the Revised Code of Washington shall be construed
15 to mean the director or the department of financial institutions,
16 securities, and corporate affairs when referring to the functions
17 transferred in this section.

18 (3) All powers, duties, and functions of the department of
19 licensing under Title 21 RCW and any other statute pertaining to the
20 regulation of securities and speculative investments are transferred to
21 the department of financial institutions, securities, and corporate
22 affairs. All references to the director or department of licensing in
23 the Revised Code of Washington shall be construed to mean the director
24 or department of financial institutions, securities, and corporate
25 affairs when referring to the functions transferred in this section.

26 NEW SECTION. **Sec. 5.** All reports, documents, surveys, books,
27 records, files, papers, or written material in the possession of the
28 department of general administration, secretary of state, and
29 department of licensing and pertaining to the powers, functions, and
30 duties transferred by section 4 of this act shall be delivered to the
31 custody of the department of financial institutions, securities, and
32 corporate affairs. All cabinets, furniture, office equipment, motor
33 vehicles, and other tangible property employed by the department of
34 general administration, secretary of state, or the department of
35 licensing in carrying out the powers, functions, and duties transferred
36 by section 4 of this act shall be made available to the department of
37 financial institutions, securities, and corporate affairs. All funds,
38 credits, or other assets held in connection with the powers, functions,

1 and duties transferred by section 4 of this act shall be assigned to
2 the department of financial institutions, securities, and corporate
3 affairs.

4 Any appropriations made to the department of general
5 administration, secretary of state, and department of licensing for
6 carrying out the powers, functions, and duties transferred by section
7 4 of this act shall, on the effective date of this act, be transferred
8 and credited to the department of financial institutions, securities,
9 and corporate affairs.

10 Whenever any question arises as to the transfer of any personnel,
11 funds, books, documents, records, papers, files, equipment, or other
12 tangible property used or held in the exercise of the powers and the
13 performance of the duties and functions transferred, the director of
14 financial management shall make a determination as to the proper
15 allocation and certify the same to the state agencies concerned.

16 NEW SECTION. **Sec. 6.** All classified employees of the department
17 of general administration, secretary of state, and department of
18 licensing engaged in performing the powers, functions, and duties
19 transferred by section 4 of this act are transferred to the
20 jurisdiction of the department of financial institutions, securities,
21 and corporate affairs. All employees classified under chapter 41.06
22 RCW, the state civil service law, are assigned to the department of
23 financial institutions, securities, and corporate affairs to perform
24 their usual duties upon the same terms as formerly, without any loss of
25 rights, subject to any action that may be appropriate thereafter in
26 accordance with the laws and rules governing state civil service.

27 NEW SECTION. **Sec. 7.** All rules and all pending business before
28 the department of general administration, secretary of state, and
29 department of licensing pertaining to the powers, functions, and duties
30 transferred by section 4 of this act shall be continued and acted upon
31 by the department of financial institutions, securities, and corporate
32 affairs. All existing contracts and obligations shall remain in full
33 force and shall be performed by the department of financial
34 institutions, securities, and corporate affairs.

35 NEW SECTION. **Sec. 8.** The transfer of the powers, duties,
36 functions, and personnel of the department of general administration,

1 department of licensing, and secretary of state shall not affect the
2 validity of any act performed by such employee before the effective
3 date of this act.

4 NEW SECTION. **Sec. 9.** If apportionments of budgeted funds are
5 required because of the transfers directed by sections 5 through 8 of
6 this act, the director of financial management shall certify the
7 apportionments to the agencies affected, the state auditor, and the
8 state treasurer. Each of these shall make the appropriate transfer and
9 adjustments in funds and appropriation accounts and equipment records
10 in accordance with the certification.

11 NEW SECTION. **Sec. 10.** Nothing contained in sections 5 through 9
12 of this act may be construed to alter any existing collective
13 bargaining unit or the provisions of any existing collective bargaining
14 agreement until the agreement has expired or until the bargaining unit
15 has been modified by action of the personnel board as provided by law.

16 **Sec. 11.** RCW 21.20.005 and 1989 c 391 s 1 are each amended to read
17 as follows:

18 The definitions set forth in this section shall apply throughout
19 this chapter, unless the context otherwise requires:

20 (1) "Director" means the director of (~~licensing~~) financial
21 institutions, securities, and corporate affairs of this state.

22 (2) "Salesperson" means any individual other than a broker-dealer
23 who represents a broker-dealer or issuer in effecting or attempting to
24 effect sales of securities, but "salesperson" does not include an
25 individual who represents an issuer in (a) effecting a transaction in
26 a security exempted by RCW 21.20.310(1), (2), (3), (4), (9), (10),
27 (11), (12), or (13), (~~as now or hereafter amended,~~) (b) effecting
28 transactions exempted by RCW 21.20.320, or (c) effecting transactions
29 with existing employees, partners, or directors of the issuer if no
30 commission or other remuneration is paid or given directly or
31 indirectly for soliciting any person in this state.

32 (3) "Broker-dealer" means any person engaged in the business of
33 effecting transactions in securities for the account of others or for
34 that person's own account. "Broker-dealer" does not include (a) a
35 salesperson, issuer, bank, savings institution, or trust company, (b)
36 a person who has no place of business in this state if the person

1 effects transactions in this state exclusively with or through the
2 issuers of the securities involved in the transactions, other broker-
3 dealers, or banks, savings institutions, trust companies, insurance
4 companies, investment companies as defined in the investment company
5 act of 1940, pension or profit-sharing trusts, or other financial
6 institutions or institutional buyers, whether acting for themselves or
7 as trustees, or (c) a person who has no place of business in this state
8 if during any period of twelve consecutive months that person does not
9 direct more than fifteen offers to sell or to buy into this state in
10 any manner to persons other than those specified in subsection (b)
11 above.

12 (4) "Guaranteed" means guaranteed as to payment of principal,
13 interest, or dividends.

14 (5) "Full business day" means all calendar days, excluding
15 therefrom Saturdays, Sundays, and all legal holidays, as defined by
16 statute.

17 (6) "Investment adviser" means any person who, for compensation,
18 engages in the business of advising others, either directly or through
19 publications or writings, as to the value of securities or as to the
20 advisability of investing in, purchasing, or selling securities, or
21 who, for compensation and as a part of a regular business, issues or
22 promulgates analyses or reports concerning securities. "Investment
23 adviser" also includes financial planners and other persons who, as an
24 integral component of other financially related services, (a) provide
25 the foregoing investment advisory services to others for compensation
26 as part of a business or (b) hold themselves out as providing the
27 foregoing investment advisory services to others for compensation.
28 Investment adviser shall also include any person who holds himself out
29 as a financial planner.

30 "Investment adviser" does not include (a) a bank, savings
31 institution, or trust company, (b) a lawyer, accountant, certified
32 public accountant licensed under chapter 18.04 RCW, engineer, or
33 teacher whose performance of these services is solely incidental to the
34 practice of his or her profession, (c) a broker-dealer, (d) a publisher
35 of any bona fide newspaper, news magazine, or business or financial
36 publication of general, regular, and paid circulation, (e) a radio or
37 television station, (f) a person whose advice, analyses, or reports
38 relate only to securities exempted by RCW 21.20.310(1), (g) a person
39 who has no place of business in this state if (i) that person's only

1 clients in this state are other investment advisers, broker-dealers,
2 banks, savings institutions, trust companies, insurance companies,
3 investment companies as defined in the investment company act of 1940,
4 pension or profit-sharing trust, or other financial institutions or
5 institutional buyers, whether acting for themselves or as trustees, or
6 (ii) during any period of twelve consecutive months that person does
7 not direct business communications into this state in any manner to
8 more than five clients other than those specified in clause (i) above,
9 or (h) such other persons not within the intent of this paragraph as
10 the director may by rule or order designate.

11 (7) "Issuer" means any person who issues or proposes to issue any
12 security, except that with respect to certificates of deposit, voting
13 trust certificates, or collateral-trust certificates, or with respect
14 to certificates of interest or shares in an unincorporated investment
15 trust not having a board of directors (or persons performing similar
16 functions) or of the fixed, restricted management, or unit type; the
17 term "issuer" means the person or persons performing the acts and
18 assuming the duties of depositor or manager pursuant to the provisions
19 of the trust or other agreement or instrument under which the security
20 is issued.

21 (8) "Nonissuer" means not directly or indirectly for the benefit of
22 the issuer.

23 (9) "Person" means an individual, a corporation, a partnership, an
24 association, a joint-stock company, a trust where the interest of the
25 beneficiaries are evidenced by a security, an unincorporated
26 organization, a government, or a political subdivision of a government.

27 (10) "Sale" or "sell" includes every contract of sale of, contract
28 to sell, or disposition of, a security or interest in a security for
29 value. "Offer" or "offer to sell" includes every attempt or offer to
30 dispose of, or solicitation of an offer to buy, a security or interest
31 in a security for value.

32 Any security given or delivered with, or as a bonus on account of,
33 any purchase of securities or any other thing is considered to
34 constitute part of the subject of the purchase and to have been offered
35 and sold for value. A purported gift of assessable stock is considered
36 to involve an offer and sale. Every sale or offer of a warrant or
37 right to purchase or subscribe to another security of the same or
38 another issuer, as well as every sale or offer of a security which
39 gives the holder a present or future right or privilege to convert into

1 another security of the same or another issuer, is considered to
2 include an offer of the other security.

3 (11) "Securities Act of 1933((⁺)),_" "Securities Exchange Act of
4 1934((⁺)),_" "Public Utility Holding Company Act of 1935((⁺)),_" and
5 "Investment Company Act of 1940" means the federal statutes of those
6 names as amended before or after June 10, 1959.

7 (12) "Security" means any note; stock; treasury stock; bond;
8 debenture; evidence of indebtedness; certificate of interest or
9 participation in any profit-sharing agreement; collateral-trust
10 certificate; preorganization certificate or subscription; transferable
11 share; investment contract; investment of money or other consideration
12 in the risk capital of a venture with the expectation of some valuable
13 benefit to the investor where the investor does not receive the right
14 to exercise practical and actual control over the managerial decisions
15 of the venture; voting-trust certificate; certificate of deposit for
16 a security; certificate of interest or participation in an oil, gas or
17 mining title or lease or in payments out of production under such a
18 title or lease; charitable gift annuity; or, in general, any interest
19 or instrument commonly known as a "security((⁺)),_" or any certificate
20 of interest or participation in, temporary or interim certificate for,
21 receipt for, guarantee of, or warrant or right to subscribe to or
22 purchase, any of the foregoing; or any sale of or indenture, bond or
23 contract for the conveyance of land or any interest therein where such
24 land is situated outside of the state of Washington and such sale or
25 its offering is not conducted by a real estate broker licensed by the
26 state of Washington. "Security" does not include any insurance or
27 endowment policy or annuity contract under which an insurance company
28 promises to pay money either in a lump sum or periodically for life or
29 some other specified period.

30 (13) "State" means any state, territory, or possession of the
31 United States, as well as the District of Columbia and Puerto Rico.

32 (14) "Investment adviser salesperson" means a person retained or
33 employed by an investment adviser to solicit clients or offer the
34 services of the investment adviser or manage the accounts of said
35 clients.

36 (15) "Relatives", as used in RCW 21.20.310(11) (~~as now or~~
37 ~~hereafter amended,~~) shall include:

38 (a) A member's spouse;

39 (b) Parents of the member or the member's spouse;

- 1 (c) Grandparents of the member or the member's spouse;
- 2 (d) Natural or adopted children of the member or the member's
- 3 spouse;
- 4 (e) Aunts and uncles of the member or the member's spouse; and
- 5 (f) First cousins of the member or the member's spouse.

6 **Sec. 12.** RCW 21.20.450 and 1979 ex.s. c 68 s 33 are each amended
7 to read as follows:

8 The administration of the provisions of this chapter shall be under
9 the department of (~~(licensing)~~) financial institutions, securities, and
10 corporate affairs. The director may from time to time make, amend, and
11 (~~(repeal)~~) repeal such rules and forms as are necessary to carry out
12 the provisions of this chapter, including rules defining any term,
13 whether or not such term is used in the Washington securities law. The
14 director may classify securities, persons, and matters within the
15 director's jurisdiction, and prescribe different requirements for
16 different classes. No rule or form(~~(s)~~) may be made unless the
17 director finds that the action is necessary or appropriate in the
18 public interest or for the protection of investors and consistent with
19 the purposes fairly intended by the policy and provisions of this
20 chapter. In prescribing rules and forms the director may cooperate
21 with the securities administrators of the other states and the
22 securities and exchange commission with a view to effectuating the
23 policy of this statute to achieve maximum uniformity in the form and
24 content of registration statements, applications, and reports wherever
25 practicable. All rules and forms of the director shall be published.

26 **Sec. 13.** RCW 21.20.720 and 1987 c 421 s 4 are each amended to read
27 as follows:

28 (1) A director, officer, or controlling person of a debenture
29 company shall not:

30 (a) Have any interest, direct or indirect, in the gains or profits
31 of the debenture company, except to receive dividends upon the amounts
32 contributed by him or her, the same as any other investor or
33 shareholder and under the same regulations and conditions: PROVIDED,
34 That nothing in this subsection shall be construed to prohibit salaries
35 as may be approved by the debenture company's board of directors;

36 (b) Become a member of the board of directors or a controlling
37 shareholder of another debenture company or a bank, trust company, or

1 national banking association, of which board enough other directors or
2 officers of the debenture company are members so as to constitute with
3 him or her a majority of the board of directors.

4 (2) A director, an officer, or controlling person shall not:

5 (a) For himself or herself or as agent or partner of another,
6 directly or indirectly use any of the funds held by the debenture
7 company, except to make such current and necessary payments as are
8 authorized by the board of directors;

9 (b) Receive directly or indirectly and retain for his or her own
10 use any commission on or benefit from any loan made by the debenture
11 company, or any pay or emolument for services rendered to any borrower
12 from the debenture company in connection with such loan;

13 (c) Become an indorser, surety, or guarantor, or in any manner an
14 obligor, for any loan made from the debenture company and except when
15 approval has been given by the director of (~~licensing~~) financial
16 institutions, securities, and corporate affairs or the director's
17 administrator of securities upon recommendation by the company's board
18 of directors.

19 (d) For himself or herself or as agent or partner of another,
20 directly or indirectly borrow any of the funds held by the debenture
21 company, or become the owner of real or personal property upon which
22 the debenture company holds a mortgage, deed of trust, or property
23 contract. A loan to or a purchase by a corporation in which he or she
24 is a stockholder to the amount of fifteen percent of the total
25 outstanding stock, or in which he or she and other directors, officers,
26 or controlling persons of the debenture company hold stock to the
27 amount of twenty-five percent of the total outstanding stock, shall be
28 deemed a loan to or a purchase by such director or officer within the
29 meaning of this section, except when the loan to or purchase by such
30 corporation occurred without his or her knowledge or against his or her
31 protest.

32 NEW SECTION. **Sec. 14.** The securities account is created in the
33 custody of the state treasurer. Thirteen percent of all receipts from
34 the securities division of the department of financial institutions,
35 securities, and corporate affairs shall be deposited into the account.
36 Only the director of the department of financial institutions,
37 securities, and corporate affairs or the director's designee may
38 authorize expenditures from the account. The account is subject to

1 allotment procedures under chapter 43.88 RCW, but no appropriation is
2 required for expenditures.

3 **Sec. 15.** RCW 30.12.190 and 1989 c 220 s 2 are each amended to read
4 as follows:

5 Every person who shall violate, or knowingly aid or abet the
6 violation of any provision of RCW 30.04.010, 30.04.030, 30.04.050,
7 30.04.060, 30.04.070, 30.04.075, 30.04.111, 30.04.120, 30.04.130,
8 30.04.180, 30.04.210, 30.04.220, 30.04.280, 30.04.290, 30.04.300,
9 30.08.010, 30.08.020, 30.08.030, 30.08.040, 30.08.050, 30.08.060,
10 30.08.080, 30.08.090, 30.08.095, 30.08.110, 30.08.120, 30.08.140,
11 30.08.150, 30.08.160, 30.08.180, 30.08.190, 30.12.010, 30.12.020,
12 30.12.030, 30.12.060, 30.12.070, 30.12.130, 30.12.180, 30.12.190,
13 30.16.010, 30.20.060, 30.40.010, 30.44.010, 30.44.020, 30.44.030,
14 30.44.040, 30.44.050, 30.44.060, 30.44.070, 30.44.080, 30.44.090,
15 30.44.100, 30.44.130, 30.44.140, 30.44.150, 30.44.160, 30.44.170,
16 30.44.240, 30.44.250, 43.19.020 (as recodified by section 57 of this
17 act), 43.19.030 (as recodified by section 57 of this act), 43.19.050
18 (as recodified by section 57 of this act), and 43.19.090 (as recodified
19 by section 57 of this act), and every person who fails to perform any
20 act which it is therein made his duty to perform, (~~shall be~~) is
21 guilty of a misdemeanor. No person who has been convicted for the
22 violation of the banking laws of this or any other state or of the
23 United States shall be permitted to engage in or become an officer or
24 official of any bank or trust company organized and existing under the
25 laws of this state.

26 **Sec. 16.** RCW 31.12.005 and 1984 c 31 s 2 are each amended to read
27 as follows:

28 Unless the context clearly requires otherwise, as used in this
29 chapter:

30 (1) "Board" means the board of directors of a credit union.

31 (2) "Branch" means any office, other than the principal place of
32 business, maintained by a credit union for the purpose of providing
33 services directly to its members. "Branch" does not include a facility
34 that is limited to an electronic funds transferring machine that can be
35 operated without the assistance of an employee of a credit union.

36 (3) "Credit union" means a credit union organized and operating
37 under this chapter.

1 (4) "Employees" means the principal operating officer and other
2 operating personnel of a credit union.

3 (5) "Federal credit union" means a credit union organized and
4 operating under the laws of the United States.

5 (6) "Officers" means the officers of the board of a credit union
6 who are elected under RCW 31.12.265.

7 (7) "Shares" and "deposits" are synonymous and interchangeable.
8 Shares and deposits of a credit union shall be subject to such terms
9 and conditions as established by the board of the credit union.

10 (8) "Supervisor" means the supervisor of (~~savings and loan~~
11 ~~associations~~) credit unions appointed under RCW 43.19.100 (as
12 recodified by section 57 of this act), or the duly authorized agent of
13 the supervisor of (~~savings and loan associations~~) credit unions.

14 (9) "Supervisory committee" means a committee having the powers and
15 duties set forth in RCW 31.12.326 through 31.12.355. Supervisory
16 committees are the statutory successors of auditing committees.

17 **Sec. 17.** RCW 31.12A.010 and 1985 c 7 s 98 are each amended to read
18 as follows:

19 As used in this chapter, unless the context otherwise requires, the
20 terms defined in this section shall have the meanings indicated.

21 (1) "Assessment" means the amount levied by the association against
22 its members in order to carry out its stated purposes.

23 (2) "Association" means the credit union share guaranty association
24 created in RCW 31.12A.020.

25 (3) "Board" means board of directors of the guaranty association.

26 (4) "Contracted guarantees" means those liabilities specifically
27 agreed to by the association for providing assistance to member credit
28 unions or for indemnifying any other entity against loss because of its
29 participation in the absorption or liquidation of a distressed member
30 credit union.

31 (5) "Credit union" means a credit union organized and authorized
32 under laws contained in chapter 31.12 RCW(~~, as now or hereafter~~
33 ~~amended~~)).

34 (6) "Initial member" means a member qualified by the supervisor
35 within sixty days after September 1, 1975, but not yet ratified by the
36 board.

37 (7) "Member" means a member of the guaranty association, ratified
38 by the board.

1 (8) "Share account" of a credit union shareholder includes the
2 share and/or deposit accounts and the share and/or deposit certificates
3 of which the shareholder is owner of record with the credit union.

4 (9) "Shareholder" includes both members and nonmembers of a credit
5 union, who have either shares and/or deposits in the credit union,
6 including deposits of deferred compensation as referred to in RCW
7 31.12.125(10).

8 (10) "Supervisor" means the state supervisor of the division of
9 (~~savings and loan associations~~) credit unions, or his or her
10 successor in the event of a departmental restructuring.

11 (11) "Transfer" means entering on the credit union's books of
12 account a decrease to one account and a corresponding increase to
13 another account.

14 **Sec. 18.** RCW 31.24.020 and 1974 ex.s. c 16 s 1 are each amended to
15 read as follows:

16 Fifteen or more persons, a majority of whom shall be residents of
17 this state, who may desire to create an industrial development
18 corporation under the provisions of this chapter, for the purpose of
19 promoting, developing, and advancing the prosperity and economic
20 welfare of the state and, to that end, to exercise the powers and
21 privileges hereinafter provided, may be incorporated by filing (~~in the~~
22 ~~office of the secretary of state~~) with the department of financial
23 institutions, securities, and corporate affairs, as hereinafter
24 provided, articles of incorporation. The articles of incorporation
25 shall contain:

26 (1) The name of the corporation, which shall include the words
27 "Development Corporation of Washington."

28 (2) The location of the principal office of the corporation, but
29 such corporation may have offices in such other places within the state
30 as may be fixed by the board of directors.

31 (3) The purposes for which the corporation is founded, which shall
32 be to promote, stimulate, develop, and advance the business prosperity
33 and economic welfare of Washington and its citizens; to encourage and
34 assist through loans, investments, or other business transactions in
35 the location of new business and industry in this state and to
36 rehabilitate and assist existing business and industry; to stimulate
37 and assist in the expansion of all kinds of business activity which
38 will tend to promote the business development and maintain the economic

1 stability of this state, provide maximum opportunities for employment,
2 encourage thrift, and improve the standard of living of citizens of
3 this state; similarly, to cooperate and act in conjunction with other
4 organizations, public or private, in the promotion and advancement of
5 industrial, commercial, agricultural, and recreational developments in
6 this state; and to provide financing for the promotion, development,
7 and conduct of all kinds of business activity in this state.

8 (4) The names and post office addresses of the members of the first
9 board of directors, who, unless otherwise provided by the articles of
10 incorporation or the bylaws, shall hold office for the first year of
11 existence of the corporation or until their successors are elected and
12 have qualified.

13 (5) Any provision which the incorporators may choose to insert for
14 the regulation of the business and for the conduct of the affairs of
15 the corporation and any provision creating, dividing, limiting, and
16 regulating the powers of the corporation, the directors, stockholders,
17 or any class of the stockholders, including, but not limited to a list
18 of the officers, and provisions governing the issuance of stock
19 certificates to replace lost or destroyed certificates.

20 (6) The amount of authorized capital stock and the number of shares
21 into which it is divided, the par value of each share and the amount of
22 capital with which it will commence business and, if there is more than
23 one class of stock, a description of the different classes; the names
24 and post office addresses of the subscribers of stock and the number of
25 shares subscribed by each. The aggregate of the subscription shall be
26 the minimum amount of capital with which the corporation shall commence
27 business which shall not be less than fifty thousand dollars. The
28 articles of incorporation may also contain any provision consistent
29 with the laws of this state for the regulation of the affairs of the
30 corporation.

31 (7) The articles of incorporation shall be in writing, subscribed
32 by not less than five natural persons competent to contract and
33 acknowledged by each of the subscribers before an officer authorized to
34 take acknowledgments and filed (~~in the office of the secretary of~~
35 ~~state~~) with the department of financial institutions, securities, and
36 corporate affairs for approval. A duplicate copy so subscribed and
37 acknowledged may also be filed.

38 (8) The articles of incorporation shall recite that the corporation
39 is organized under the provisions of this chapter.

1 The (~~secretary of state~~) department of financial institutions,
2 securities, and corporate affairs shall not approve articles of
3 incorporation for a corporation organized under this chapter until a
4 total of at least ten national banks, state banks, savings banks,
5 industrial savings banks, federal savings and loan associations,
6 domestic building and loan associations, or insurance companies
7 authorized to do business within this state, or any combination
8 thereof, have agreed in writing to become members of said corporation;
9 and said written agreement shall be filed with the (~~secretary of~~
10 ~~state~~) department of financial institutions, securities, and corporate
11 affairs with the articles of incorporation and the filing of same shall
12 be a condition precedent to the approval of the articles of
13 incorporation by the (~~secretary of state~~) department of financial
14 institutions, securities, and corporate affairs. Whenever the articles
15 of incorporation (~~shall~~) have been filed (~~in the office of the~~
16 ~~secretary of state~~) with and approved by (~~him~~) the department of
17 financial institutions, securities, and corporate affairs and all
18 taxes, fees, and charges, have been paid(~~ed~~) as required by law, the
19 subscribers, their successors, and assigns shall constitute a
20 corporation, and said corporation shall then be authorized to commence
21 business, and stock thereof to the extent herein or hereafter duly
22 authorized may from time to time be issued.

23 **Sec. 19.** RCW 31.24.080 and 1963 c 162 s 8 are each amended to read
24 as follows:

25 The articles of incorporation may be amended by the votes of the
26 stockholders and the members of the corporation, voting separately by
27 classes, and such amendments shall require approval by the affirmative
28 vote of two-thirds of the votes to which the stockholders shall be
29 entitled and two-thirds of the votes to which the members shall be
30 entitled: PROVIDED, That no amendment of the articles of incorporation
31 which is inconsistent with the general purposes expressed herein or
32 which authorizes any additional class of capital stock to be issued, or
33 which eliminates or curtails the right of the state supervisor of
34 banking to examine the corporation or the obligation of the corporation
35 to make reports as provided in RCW 31.24.120, shall be made: PROVIDED,
36 FURTHER, That no amendment of the articles of incorporation which
37 increases the obligation of a member to make loans to the corporation,
38 or makes any charge in the principal amount, interest rate, maturity

1 date, or in the security or credit position of an outstanding loan of
2 a member to the corporation, or affects a member's right to withdraw
3 from membership as provided herein, or affects a member's voting rights
4 as provided herein, shall be made without the consent of each
5 membership affected by such amendment.

6 Within thirty days after any meeting at which an amendment of the
7 articles of incorporation has been adopted, articles of amendment
8 signed and sworn to by the president, treasurer, and a majority of the
9 directors, setting forth such amendment and due adoption thereof, shall
10 be submitted to the (~~secretary of state, who~~) department of financial
11 institutions, securities, and corporate affairs, which shall examine
12 them and if (~~he~~) it finds that they conform to the requirements of
13 this chapter, shall so certify and endorse (~~his~~) its approval
14 thereon. Thereupon, the articles of amendment shall be filed (~~in the~~
15 ~~office of the secretary of state~~) with the department of financial
16 institutions, securities, and corporate affairs, and no such amendment
17 shall take effect until such articles of amendment shall have been
18 filed as aforesaid.

19 **Sec. 20.** RCW 31.24.120 and 1963 c 162 s 12 are each amended to
20 read as follows:

21 The corporation shall be examined at least once annually by the
22 state supervisor of banking and shall make reports of its condition not
23 less than annually to (~~said~~) the state supervisor of banking and more
24 frequently upon call of the state supervisor of banking, who in turn
25 shall make copies of such reports available to the state insurance
26 commissioner and the governor; and the corporation shall also furnish
27 such other information as may from time to time be required by the
28 (~~state supervisor of banking and secretary of state~~) department of
29 financial institutions, securities, and corporate affairs. The
30 corporation shall pay the actual cost of said examinations. The state
31 supervisor of banking shall exercise the same power and authority over
32 corporations organized under this chapter as is now exercised over
33 banks and trust companies by the provisions of the Title 30 RCW, where
34 the provisions of Title 30 RCW are not in conflict with this chapter.

35 **Sec. 21.** RCW 31.30.010 and 1986 c 284 s 1 are each amended to read
36 as follows:

1 The director of (~~general administration~~) financial institutions,
2 securities, and corporate affairs, by rule, shall provide for the
3 establishment, incorporation, operation, and regulation of a borrower-
4 owned corporate entity to be known as the Washington land bank. The
5 Washington land bank shall be patterned after the federal land banks
6 organized under the Farm Credit Act of 1971, as amended, within state
7 constitutional limits. The Washington land bank shall be organized by
8 eligible borrowers and shall be designed to accomplish the objective of
9 furnishing sound, adequate, and constructive long-term credit to farmer
10 and rancher borrowers in the state of Washington. For purposes of this
11 chapter, "farmer and rancher" includes producers of privately cultured
12 aquatic products.

13 **Sec. 22.** RCW 31.30.150 and 1987 c 420 s 5 are each amended to read
14 as follows:

15 (1) The Washington land bank shall be examined by the department of
16 (~~general administration~~) financial institutions, securities, and
17 corporate affairs, division of banking, at such times as the supervisor
18 may determine, but in no event less than once each year. Such
19 examinations shall include, but are not limited to, an analysis of
20 credit and collateral quality and capitalization of the institution,
21 and an appraisal of the effectiveness of the institution's management
22 and application of policies for the carrying out (~~{of}~~) of the
23 requirements of chapter 31.30 RCW, and servicing all eligible
24 borrowers. At the direction of the supervisor, the division of banking
25 shall examine the condition of any organization with which the
26 Washington land bank contemplates making a loan or discounting paper.
27 For the purposes of this chapter, bank analysts shall be subject to the
28 same requirements, responsibilities, and penalties as are applicable to
29 examiners under Title 30 RCW, the Federal Reserve Act, and Federal
30 Deposit Insurance Act, and other provisions of law and shall have the
31 same powers and privileges as are vested in such examiners by law.

32 (2) The Washington land bank shall make and publish an annual
33 report of condition. Each such report shall contain financial
34 statements prepared in accordance with generally accepted accounting
35 principles and contain such additional information as may be required
36 by the board of directors. Such financial statements shall be audited
37 by an independent certified public accountant.

1 **Sec. 23.** RCW 33.04.010 and 1982 c 3 s 3 are each amended to read
2 as follows:

3 Whenever, in this title or any prior acts relating to savings and
4 loan associations, the term "Supervisor" or "Supervisor of (~~Savings~~
5 ~~and Loans~~) Credit Unions" appears, it is understood that the director
6 of (~~the department of general administration~~) financial institutions,
7 securities, and corporate affairs may act for and in lieu of the
8 supervisor of (~~savings and loans~~) credit unions, if there is no
9 supervisor of (~~savings and loan associations~~) credit unions duly
10 qualified to act.

11 **Sec. 24.** RCW 33.04.110 and 1982 c 3 s 6 are each amended to read
12 as follows:

13 (1) Except as otherwise provided in this section, all examination
14 reports and all information obtained by the supervisor and the
15 supervisor's staff in conducting examinations of associations are
16 confidential and privileged information and shall not be made public or
17 otherwise disclosed to any person, firm, corporation, agency,
18 association, governmental body, or other entity.

19 (2) Subsection (1) of this section notwithstanding, the supervisor
20 may furnish in whole or in part examination reports prepared by the
21 supervisor's office to federal agencies empowered to examine state
22 associations, to savings and loan supervisory agencies of other states
23 which have authority to examine associations doing business in this
24 state, to the attorney general in his role as legal advisor to the
25 supervisor, to the examined association as provided in subsection (4)
26 of this section, and to officials empowered to investigate criminal
27 charges. If the supervisor furnishes any examination report to
28 officials empowered to investigate criminal charges, the supervisor may
29 only furnish that part of the report which is necessary and pertinent
30 to the investigation, and the supervisor may do this only after
31 notifying the affected savings and loan association and any customer of
32 the savings and loan association who is named in that part of the
33 report of the order to furnish the part of the examination report
34 unless the officials requesting the report first obtain a waiver of the
35 notice requirement from a court of competent jurisdiction for good
36 cause. The supervisor may also furnish, in whole or in part,
37 examination reports concerning any association in danger of insolvency
38 to the directors or officers of a potential acquiring party when, in

1 the supervisor's opinion, it is necessary to do so in order to protect
2 the interests of members, depositors, or borrowers of the examined
3 association.

4 (3) All examination reports furnished under subsection (2) of this
5 section shall remain the property of the division of (~~savings and loan~~
6 ~~associations~~) credit unions and, except as provided in subsection (4)
7 of this section, no person, agency, or authority to whom reports are
8 furnished or any officer, director, or employee thereof shall disclose
9 or make public any of the reports or any information contained therein
10 except in published statistical material that does not disclose the
11 affairs of any individual or corporation: PROVIDED, That nothing
12 herein shall prevent the use in a criminal prosecution of reports
13 furnished under subsection (2) of this section.

14 (4) The examination report made by the division of (~~savings and~~
15 ~~loan associations~~) credit unions is designed for use in the
16 supervision of the association, and the supervisor may furnish a copy
17 of the report to the savings and loan association examined. The report
18 shall remain the property of the supervisor and will be furnished to
19 the association solely for its confidential use. Neither the
20 association nor any of its directors, officers, or employees may
21 disclose or make public in any manner the report or any portion thereof
22 without permission of the board of directors of the examined
23 association. The permission shall be entered in the minutes of the
24 board.

25 (5) Examination reports and information obtained by the supervisor
26 and the supervisor's staff in conducting examinations shall not be
27 subject to public disclosure under chapter 42.17 RCW.

28 (6) In any civil action in which the reports are sought to be
29 discovered or used as evidence, any party may, upon notice to the
30 supervisor, petition the court for an in camera review of the report.
31 The court may permit discovery and introduction of only those portions
32 of the report which are relevant and otherwise unobtainable by the
33 requesting party. This subsection shall not apply to an action brought
34 or defended by the supervisor.

35 (7) This section shall not apply to investigation reports prepared
36 by the supervisor and the supervisor's staff concerning an application
37 for a new association or an application for a branch of an association.
38 The supervisor may adopt rules making confidential portions of such
39 reports if in the supervisor's opinion the public disclosure of the

1 portions of the report would impair the ability to obtain the
2 information which the supervisor considers necessary to fully evaluate
3 the application.

4 (8) Every person who intentionally violates any provision of this
5 section is guilty of a gross misdemeanor.

6 **Sec. 25.** RCW 33.46.020 and 1982 c 3 s 81 are each amended to read
7 as follows:

8 Any bank may be converted into an association in the following
9 manner:

10 (1) The trustees or directors of the bank shall pass, by at least
11 a two-thirds favorable vote of all trustees or directors, a resolution
12 declaring its intention to convert the bank into an association,
13 specifying in such resolution the type of association and whether the
14 association is to be organized under the laws of this state, or is to
15 be organized under the laws of the United States of America. If the
16 association is to be a state association the bank shall apply to the
17 supervisor of (~~savings and loan associations~~) credit unions for
18 authority to convert into an association. The application shall
19 include a proposal which sets forth the method by and extent to which
20 membership or stockholder interests, as the case may be, in the bank
21 are to be converted into membership or shareholder interest, as the
22 case may be, in the association, and the proposal shall allow for any
23 member or stockholder to withdraw the value of his interest at any time
24 within sixty days of the completion of the conversion. The proposal is
25 subject to the approval of the supervisor of (~~savings and loans~~)
26 credit unions and shall conform to all applicable regulations of the
27 federal deposit insurance corporation, the federal home loan bank
28 board, the federal savings and loan insurance corporation, or other
29 federal regulatory agency.

30 (2) A duplicate of the application made to the supervisor of
31 (~~savings and loan associations~~) credit unions, or such application as
32 may be filed with the federal home loan bank board or other federal
33 agency, shall be filed with the supervisor of banking.

34 (3) The supervisor of (~~savings and loan associations~~) credit
35 unions shall, in the case of an application to convert into a state
36 association, make the same investigation and determine the same
37 questions as he would be required by law to make in determining the
38 case of submission to him of articles of incorporation of a proposed

1 new state association, and shall also determine, after conference with
2 the supervisor of banking, whether the proposed conversion would serve
3 the needs and conveniences of the depositors of the bank.

4 (4) The supervisor of (~~savings and loan associations~~) credit
5 unions shall grant or deny the application within sixty days of its
6 date of filing and shall immediately notify the secretary of the bank
7 of the decision.

8 **Sec. 26.** RCW 33.46.030 and 1982 c 3 s 82 are each amended to read
9 as follows:

10 If the application to become a domestic mutual association is
11 granted, the supervisor of (~~savings and loan associations~~) credit
12 unions shall require the applicant to enter into an agreement or
13 undertaking with the supervisor, as trustee for the members of the
14 association, to make such cash contributions to an expense fund of the
15 mutual association as in the supervisor's judgment will be necessary
16 then and from time to time thereafter to pay the operating expenses of
17 the association if its earnings should not be sufficient to pay the
18 same in addition to the payment of such dividends as may be declared
19 and credited to members from its earnings.

20 **Sec. 27.** RCW 33.46.040 and 1982 c 3 s 83 are each amended to read
21 as follows:

22 If the application is denied by the supervisor of (~~savings and~~
23 ~~loan associations~~) credit unions, the bank, acting by a two-thirds
24 majority of its trustees or directors, may, within thirty days after
25 receiving notice of such denial, appeal to the superior court of
26 Thurston county pursuant to the provisions of the Administrative
27 Procedure Act, chapter 34.05 RCW.

28 **Sec. 28.** RCW 33.46.050 and 1982 c 3 s 84 are each amended to read
29 as follows:

30 If the application is granted by the supervisor of (~~savings and~~
31 ~~loan associations~~) credit unions, or by the court, the trustees or
32 directors of the bank shall, within thirty days thereafter, subscribe,
33 acknowledge, and file with the supervisor of (~~savings and loan~~
34 ~~associations, in triplicate~~) credit unions, in duplicate, a
35 certificate of reincorporation stating:

36 (1) The name by which the association is to be known;

1 (2) The place where the association is to be located and its
2 business transacted, naming the city or town and the county, which city
3 or town shall be the same as that where the principal place of business
4 of the bank has theretofore been located;

5 (3) The name, occupation, residence, and post office address of
6 each signer of the certificate;

7 (4) The amount of the assets of the association, the amount of its
8 liabilities, and the amount of its contingent, expense, or guaranty
9 fund, as applicable, as of the first day of the calendar month during
10 which the certificate is filed; and

11 (5) A declaration that each signer will accept the responsibilities
12 and faithfully discharge the duties of a director of the association,
13 and is free from all the disqualifications specified in the laws
14 applicable to savings and loan associations.

15 **Sec. 29.** RCW 33.46.060 and 1982 c 3 s 85 are each amended to read
16 as follows:

17 Upon filing the certificate in (~~(triplicate)~~) duplicate as provided
18 in RCW 33.46.050, the supervisor of (~~(savings and loan associations)~~)
19 credit unions shall, within thirty days thereafter, if satisfied that
20 all the provisions of this chapter have been complied with, issue in
21 (~~(triplicate)~~) duplicate an authorization certificate stating that the
22 association has complied with all of the requirements of law, and that
23 it has authority to transact, at the place or places designated in its
24 certificate, the business of an association. The supervisor of
25 (~~(savings and loan associations)~~) credit unions shall retain one set of
26 the (~~(triplicate)~~) duplicate originals of the certificate of
27 reincorporation and of the certificate of authorization and shall
28 transmit the other (~~(two sets)~~) set to the association(~~(, which shall~~
29 ~~retain one set, and file one set with the secretary of state, paying~~
30 ~~the required fees)~~). Upon such (~~(filings)~~) transmittal being made, the
31 conversion of the bank to the association shall be deemed complete and
32 consummated, and the association shall thereupon be a corporation
33 having the powers and being subject to the duties and obligations
34 prescribed by the laws of this state applicable to state associations,
35 and the time of existence of such association shall be perpetual,
36 unless sooner terminated.

1 **Sec. 30.** RCW 33.46.080 and 1982 c 3 s 87 are each amended to read
2 as follows:

3 All mortgages, notes, and other securities of any bank that has
4 been converted into an association shall, on request of the
5 association, be delivered to it by the supervisor of banking or, under
6 the direction of the supervisor of banking, by any depository having
7 possession thereof. If the association is a state association it
8 shall, as soon as practicable and within such time and by such methods
9 as the supervisor of (~~savings and loan associations~~) credit unions
10 may direct, cause its organization, its securities and investments, the
11 character of its business, and its methods of transacting the same to
12 conform to the laws applicable to state associations.

13 **Sec. 31.** RCW 33.46.130 and 1982 c 3 s 90 are each amended to read
14 as follows:

15 The supervisor of (~~savings and loan associations~~) credit unions
16 and the supervisor of banking shall adopt such rules under the
17 Administrative Procedure Act, chapter 34.05 RCW, as are necessary to
18 implement this chapter in a manner which protects the relative
19 interests of members, depositors, borrowers, stockholders, and
20 creditors.

21 **Sec. 32.** RCW 43.17.010 and 1989 1st ex.s. c 9 s 810 are each
22 amended to read as follows:

23 There shall be departments of the state government which shall be
24 known as (1) the department of social and health services, (2) the
25 department of ecology, (3) the department of labor and industries, (4)
26 the department of agriculture, (5) the department of fisheries, (6) the
27 department of wildlife, (7) the department of transportation, (8) the
28 department of licensing, (9) the department of general administration,
29 (10) the department of trade and economic development, (11) the
30 department of veterans affairs, (12) the department of revenue, (13)
31 the department of retirement systems, (14) the department of
32 corrections, (15) the department of community development, (~~and~~) (16)
33 the department of health, and (17) the department of financial
34 institutions, securities, and corporate affairs, which shall be charged
35 with the execution, enforcement, and administration of such laws, and
36 invested with such powers and required to perform such duties, as the
37 legislature may provide.

1 **Sec. 33.** RCW 43.17.020 and 1989 1st ex.s. c 9 s 811 are each
2 amended to read as follows:

3 There shall be a chief executive officer of each department to be
4 known as: (1) The secretary of social and health services, (2) the
5 director of ecology, (3) the director of labor and industries, (4) the
6 director of agriculture, (5) the director of fisheries, (6) the
7 director of wildlife, (7) the secretary of transportation, (8) the
8 director of licensing, (9) the director of general administration, (10)
9 the director of trade and economic development, (11) the director of
10 veterans affairs, (12) the director of revenue, (13) the director of
11 retirement systems, (14) the secretary of corrections, (15) the
12 director of community development, ~~((and))~~ (16) the secretary of
13 health, and (17) the director of financial institutions, securities,
14 and corporate affairs.

15 Such officers, except the secretary of transportation, shall be
16 appointed by the governor, with the consent of the senate, and hold
17 office at the pleasure of the governor. The director of wildlife,
18 however, shall be appointed according to the provisions of RCW
19 77.04.080. If a vacancy occurs while the senate is not in session, the
20 governor shall make a temporary appointment until the next meeting of
21 the senate. A temporary director of wildlife shall not serve more than
22 one year. The secretary of transportation shall be appointed by the
23 transportation commission as prescribed by RCW 47.01.041.

24 **Sec. 34.** RCW 43.19.010 and 1988 c 25 s 10 are each amended to read
25 as follows:

26 The department of general administration shall be organized into
27 divisions, which shall include (1) ~~((the division of banking, (2) the~~
28 ~~division of savings and loan associations, (3))~~ the division of
29 capitol buildings, ~~((+4))~~ (2) the division of purchasing, ~~((+5))~~ (3)
30 the division of engineering and architecture, and ~~((+6))~~ (4) the
31 division of motor vehicle transportation service.

32 The director of general administration shall have charge and
33 general supervision of the department. He may appoint and deputize
34 such clerical and other assistants as may be necessary for the general
35 administration of the department. The director of general
36 administration shall receive a salary in an amount fixed by the
37 governor.

1 **Sec. 35.** RCW 43.19.015 and 1984 c 29 s 2 are each amended to read
2 as follows:

3 The director of general administration shall have the power and
4 duties of the director of public institutions contained in (~~the~~
5 ~~following chapters of RCW: Chapter 33.04 RCW concerning savings and~~
6 ~~loan associations; and~~) chapter 39.32 RCW concerning purchase of
7 federal property.

8 **Sec. 36.** RCW 43.19.020 and 1977 ex.s. c 185 s 1 are each amended
9 to read as follows:

10 The director of (~~general administration~~) financial institutions,
11 securities, and corporate affairs shall appoint and deputize an
12 assistant director to be known as the supervisor of banking, who shall
13 have charge and supervision of the division of banking. With the
14 approval of the director, (~~he~~) the supervisor may appoint and employ
15 (~~bank~~) examiners and such other assistants and personnel as may be
16 necessary to carry on the work of the division.

17 No person (~~shall be~~) is eligible for appointment as supervisor of
18 banking unless he or she is, and for the last two years (~~prior to~~
19 ~~his~~) before appointment has been, a citizen of the United States and
20 a resident of this state; nor if he or she is interested in any bank or
21 trust company as director, officer, or stockholder.

22 In the event of the supervisor's absence the director of (~~general~~
23 ~~administration shall have the power to~~) financial institutions,
24 securities, and corporate affairs may deputize one of the assistants of
25 the supervisor to exercise all the powers and perform all the duties
26 prescribed by law with respect to banks and trust companies, (~~mutual~~)
27 check cashers and sellers, consumer loan companies, savings banks, loan
28 agencies, and other similar institutions that are performed by the
29 supervisor so long as the supervisor is absent: PROVIDED, That such
30 deputized supervisor shall not have the power to approve or disapprove
31 new charters, licenses, branches, and satellite facilities, unless such
32 action has received the prior written approval of the supervisor. Any
33 person so deputized shall possess the same qualifications as those set
34 out in this section for the supervisor.

35 **Sec. 37.** RCW 43.19.040 and 1965 c 8 s 43.19.040 are each amended
36 to read as follows:

1 The director of (~~general administration~~) financial institutions,
2 securities, and corporate affairs, through the division of banking,
3 shall exercise all the powers and perform all the duties prescribed by
4 law with respect to banks and trust companies, mutual savings banks,
5 loan agencies, and other similar institutions.

6 **Sec. 38.** RCW 43.19.050 and 1965 c 8 s 43.19.050 are each amended
7 to read as follows:

8 The supervisor of banking shall maintain an office at the state
9 capitol, but may with the consent of the governor also maintain an
10 office at some other convenient banking center in this state. ((He))
11 The supervisor shall keep books of record of all moneys received or
12 disbursed (~~by him. He~~) and shall adopt an official seal.

13 **Sec. 39.** RCW 43.19.080 and 1965 c 8 s 43.19.080 are each amended
14 to read as follows:

15 It (~~shall be~~) is unlawful for the supervisor or any deputy or
16 employee of (~~his~~) the division to borrow money from any bank (~~or~~),
17 consumer loan company, foreign bank branch, savings bank, trust company
18 or department, or similar lending institution under his or her
19 jurisdiction. Every person who violates this section shall forfeit his
20 or her office or employment and (~~be~~) is guilty of a gross
21 misdemeanor.

22 **Sec. 40.** RCW 43.19.090 and 1977 c 75 s 43 are each amended to read
23 as follows:

24 The supervisor shall file in his or her office all reports required
25 to be made to him or her, prepare and furnish to banks, check cashers
26 and sellers, consumer loan companies, foreign bank branches, savings
27 banks, and trust companies and departments blank forms for such reports
28 as are required of them, and each year make a report to the governor
29 showing:

30 (1) A summary of the conditions of the banks, check cashers and
31 sellers, consumer loan companies, foreign bank branches, savings banks,
32 and trust companies and departments at the date of their last report;
33 and

34 (2) A list of those organized or closed during the year.

35 ((He)) The supervisor may publish such other statements, reports,
36 and pamphlets as he or she deems advisable.

1 **Sec. 41.** RCW 43.19.095 and 1981 c 241 s 1 are each amended to read
2 as follows:

3 There is created a local fund known as the "banking examination
4 fund" which shall consist of all moneys received by the division of
5 banking and which shall be used for the purchase of supplies and
6 necessary equipment and the payment of salaries, wages, utilities, and
7 other incidental costs required for the proper maintenance of the
8 division. The state treasurer shall be the custodian of the fund.
9 Disbursements from the fund shall be on authorization of the director
10 of (~~general administration~~) financial institutions, securities, and
11 corporate affairs or the supervisor of banking or the director's or
12 supervisor's designee. In order to maintain an effective expenditure
13 and revenue control, the fund shall be subject in all respects to
14 chapter 43.88 RCW, but no appropriation is required to permit
15 expenditures and payment of obligations from the fund.

16 **Sec. 42.** RCW 43.19.100 and 1982 c 3 s 113 are each amended to read
17 as follows:

18 The director of (~~general administration~~) financial institutions,
19 securities, and corporate affairs shall appoint and deputize an
20 assistant director to be known as the supervisor of (~~savings and loan~~
21 ~~associations~~) credit unions, who shall have charge and supervision of
22 the division of (~~savings and loan associations~~) credit unions.

23 With the approval of the director, he or she may appoint and employ
24 such assistants and personnel as may be necessary to carry on the work
25 of the division.

26 No person (~~shall be~~) is eligible for appointment as supervisor of
27 (~~savings and loan associations~~) credit unions unless he or she is,
28 and, for at least two years prior to appointment has been, a citizen of
29 the United States and a resident of this state. If the appointee is,
30 at the time of appointment, a director, officer, or stockholder of an
31 association or credit union, the appointee shall resign as such
32 director or officer, or dispose of the stock prior to assuming office
33 as supervisor.

34 In the event of the supervisor's absence the director of (~~general~~
35 ~~administration shall have the power to~~) financial institutions,
36 securities, and corporate affairs may deputize one of the assistants of
37 the supervisor to perform day to day functions that are performed by
38 the supervisor so long as the supervisor is absent: PROVIDED, That

1 such deputized supervisor shall not have the power to approve or
2 disapprove new charters, branches, or satellite facilities. Any person
3 so deputized shall possess the same qualifications as those set out in
4 this section for the supervisor.

5 **Sec. 43.** RCW 43.19.110 and 1965 c 8 s 43.19.110 are each amended
6 to read as follows:

7 The director of (~~general administration~~) financial institutions,
8 securities, and corporate affairs, through the division of (~~savings~~
9 ~~and loan associations~~) credit unions, shall exercise all the powers
10 and perform all the duties prescribed by law with respect to savings
11 and loan associations, credit unions, and other similar institutions.

12 **Sec. 44.** RCW 43.19.112 and 1981 c 241 s 2 are each amended to read
13 as follows:

14 There is created a local fund known as the "savings and loan
15 associations and credit unions examination fund" which shall consist of
16 all moneys received by the division of (~~savings and loan~~
17 ~~associations~~) credit unions and which shall be used for the purchase
18 of supplies and necessary equipment and the payment of salaries, wages,
19 utilities, and other incidental costs required for the proper
20 maintenance of the division. The state treasurer shall be the
21 custodian of the fund. Disbursements from the fund shall be on
22 authorization of the director of (~~general administration~~) financial
23 institutions, securities, and corporate affairs or the supervisor of
24 (~~savings and loan associations~~) credit unions or the director's or
25 supervisor's designee. In order to maintain an effective expenditure
26 and revenue control, the fund shall be subject in all respects to
27 chapter 43.88 RCW, but no appropriation is required to permit
28 expenditures and payment of obligations from the fund.

29 **Sec. 45.** RCW 43.24.020 and 1989 1st ex.s. c 9 s 314 are each
30 amended to read as follows:

31 The director of licensing shall administer all laws with respect to
32 the examination of applicants for, and the issuance of, licenses to
33 persons to engage in any business, profession, trade, occupation, or
34 activity except for health professions.

35 (~~This shall include the administration of all laws pertaining to~~
36 ~~the regulation of securities and speculative investments.~~)

1 **Sec. 46.** RCW 43.24.024 and 1979 c 158 s 96 are each amended to
2 read as follows:

3 The director of licensing may delegate to the assistant director of
4 the business and professions administration in the department of
5 licensing authority to ~~((promulgate))~~ adopt rules ~~((and regulations))~~
6 relating to the licensing of persons engaged in businesses and
7 professions ~~((and to the administration of laws pertaining to the~~
8 ~~regulation of securities))~~. The director may delegate the authority to
9 issue and sign licenses, certificates, permits, and renewals thereof
10 pertaining to those activities transferred to the business and
11 professions administration in the department of licensing pursuant to
12 RCW 46.01.050.

13 **Sec. 47.** RCW 46.01.011 and 1979 c 158 s 113 are each amended to
14 read as follows:

15 The legislature finds that the department of licensing administers
16 laws relating to the licensing and regulation of professions,
17 businesses, ~~((securities,))~~ gambling, and other activities in addition
18 to administering laws relating to the licensing and regulation of
19 vehicles and vehicle operators, dealers, and manufacturers. The laws
20 administered by the department have the common denominator of licensing
21 and regulation and are directed toward protecting and enhancing the
22 well-being of the residents of the state.

23 **Sec. 48.** RCW 46.01.050 and 1979 c 158 s 116 are each amended to
24 read as follows:

25 All powers, functions, and duties vested by law in the division of
26 professional licensing in the department of licensing on August 9,
27 1969, other than those enumerated in RCW 46.01.040, shall be
28 transferred to the business and professions administration hereby
29 created consisting of the divisions of ~~((securities,))~~ real estate~~((,))~~
30 and professional licensing~~((,))~~ within the department of licensing.

31 **Sec. 49.** RCW 43.07.030 and 1982 c 35 s 186 are each amended to
32 read as follows:

33 The secretary of state shall:

34 (1) Keep a register of and attest the official acts of the
35 governor;

1 (2) Affix the state seal, with ~~((his))~~ the secretary's attestation,
2 to commissions, pardons, and other public instruments to which the
3 signature of the governor is required, and also attestations and
4 authentications of certificates and other documents properly issued by
5 the secretary;

6 (3) Record all ~~((articles of incorporation,))~~ deeds~~((,))~~ or other
7 papers filed in the secretary of state's office;

8 (4) Receive and file all the official bonds of officers required to
9 be filed with the secretary of state;

10 (5) Take and file in the secretary of state's office receipts for
11 all books distributed by ~~((him))~~ the secretary;

12 (6) Certify to the legislature the election returns for all
13 officers required by the Constitution to be so certified, and certify
14 to the governor the names of all other persons who have received at any
15 election the highest number of votes for any office the incumbent of
16 which is to be commissioned by the governor;

17 (7) Furnish, on demand, to any person paying the fees therefor, a
18 certified copy of all or any part of any law, record, or other
19 instrument filed, deposited, or recorded in the secretary of state's
20 office;

21 (8) Present to the speaker of the house of representatives, at the
22 beginning of each regular session of the legislature during an odd-
23 numbered year, a full account of all purchases made and expenses
24 incurred by the secretary of state on account of the state;

25 (9) File in ~~((his))~~ the secretary's office an impression of each
26 and every seal in use by any state officer;

27 ~~((+10))~~ (10) Keep a record of all fees charged or received by
28 the secretary of state.

29 **Sec. 50.** RCW 43.07.120 and 1991 c 72 s 53 are each amended to read
30 as follows:

31 (1) The secretary of state shall collect the fees herein prescribed
32 for the secretary of state's official services:

33 (a) For a copy of any law, resolution, record, or other document or
34 paper on file in the secretary's office for which no other fee is
35 provided, fifty cents per page for the first ten pages and twenty-five
36 cents per page for each additional page;

37 (b) For any certificate under seal, five dollars;

38 (c) ~~((For filing and recording trademark, fifty dollars;~~

1 ~~(d))~~) For each deed or patent of land issued by the governor, if
2 for one hundred and sixty acres of land, or less, one dollar, and for
3 each additional one hundred and sixty acres, or fraction thereof, one
4 dollar;

5 ~~((e))~~) (d) For recording miscellaneous records, papers, or other
6 documents, five dollars for filing each case.

7 (2) The secretary of state may adopt rules under chapter 34.05 RCW
8 establishing reasonable fees for ~~((the following services rendered~~
9 ~~under Title 23B RCW, chapter 18.100, 23.86, 23.90, 24.03, 24.06, 24.12,~~
10 ~~24.20, 24.24, 24.28, 24.36, or 25.10 RCW))~~):

11 (a) Any service rendered in-person at the secretary of state's
12 office;

13 (b) Any expedited service;

14 (c) The electronic transmittal of documents;

15 (d) The providing of information by microfiche or other reduced-
16 format compilation;

17 (e) The handling of checks or drafts for which sufficient funds are
18 not on deposit;

19 (f) The resubmission of documents previously submitted to the
20 secretary of state where the documents have been returned to the
21 submittor to make such documents conform to the requirements of the
22 applicable statute;

23 (g) The handling of telephone requests for information; and

24 (h) Special search charges.

25 (3) To facilitate the collection of fees, the secretary of state
26 may establish accounts for deposits by persons who may frequently be
27 assessed such fees to pay the fees as they are assessed. The secretary
28 of state may make whatever arrangements with those persons as may be
29 necessary to carry out this section.

30 (4) No member of the legislature, state officer, justice of the
31 supreme court, judge of the court of appeals, or judge of the superior
32 court shall be charged for any search relative to matters pertaining to
33 the duties of his or her office; nor may such official be charged for
34 a certified copy of any law or resolution passed by the legislature
35 relative to his or her official duties, if such law has not been
36 published as a state law.

37 **Sec. 51.** RCW 43.07.130 and 1991 c 72 s 54 are each amended to read
38 as follows:

1 There is created within the state treasury a revolving fund, to be
2 known as the "secretary of state's revolving fund," which shall be used
3 by the office of the secretary of state to defray the costs of
4 printing, reprinting, or distributing printed matter authorized by law
5 to be issued by the office of the secretary of state, and any other
6 cost of carrying out the functions of the secretary of state (~~under~~
7 ~~Title 23B RCW, or chapters 18.100, 23.86, 23.90, 24.03, 24.06, 24.12,~~
8 ~~24.20, 24.24, 24.28, 24.36, or 25.10 RCW~~)).

9 The secretary of state is hereby authorized to charge a fee for
10 such publications in an amount which will compensate for the costs of
11 printing, reprinting, and distributing such printed matter. Fees
12 recovered by the secretary of state under RCW 43.07.120(2)(~~7~~
13 ~~23B.01.220(1)(e), (3), and (4), 23B.18.050, 24.03.410, 24.06.455,~~) or
14 46.64.040, and such other moneys as are expressly designated for
15 deposit in the secretary of state's revolving fund shall be placed in
16 the secretary of state's revolving fund.

17 **Sec. 52.** RCW 43.07.140 and 1991 c 72 s 55 are each amended to read
18 as follows:

19 The secretary of state is hereby specifically authorized to print,
20 reprint, and distribute the following materials:

- 21 ~~(1) ((Lists of active corporations;~~
- 22 ~~(2) The provisions of Title 23 RCW;~~
- 23 ~~(3) The provisions of Title 23B RCW;~~
- 24 ~~(4) The provisions of Title 24 RCW;~~
- 25 ~~(5) The provisions of chapter 25.10 RCW;~~
- 26 ~~(6))~~ The provisions of Title 29 RCW;
- 27 ~~((7) The provisions of chapter 18.100 RCW;~~
- 28 ~~(8) The provisions of chapter 19.77 RCW;~~
- 29 ~~(9))~~ (2) The provisions of chapter 43.07 RCW;
- 30 ~~((10))~~ (3) The provisions of the Washington state Constitution;
- 31 ~~((11))~~ (4) The provisions of chapters 40.14, 40.16, and 40.20
32 RCW, and any statutes, rules, schedules, indexes, guides, descriptions,
33 or other materials related to the public records of state or local
34 government or to the state archives; and
- 35 ~~((12))~~ (5) Rules and informational publications related to the
36 statutory provisions set forth above.

1 **Sec. 53.** RCW 43.07.170 and 1982 c 35 s 191 are each amended to
2 read as follows:

3 If the (~~secretary of state~~) department of financial institutions,
4 securities, and corporate affairs determines that the public interest
5 and the purpose of the corporation filing statutes administered by the
6 (~~secretary of state~~) department would be best served by a filing
7 system utilizing microfilm, microfiche, or methods of reduced-format
8 document recording, the (~~secretary of state~~) department may, by rule
9 adopted under chapter 34.05 RCW, establish such a filing system. In
10 connection therewith, the (~~secretary of state~~) department may
11 eliminate any requirement for a duplicate original filing copy, and may
12 establish reasonable requirements concerning paper size, print
13 legibility, and quality for photo-reproduction processes as may be
14 necessary to ensure utility and readability of any reduced-format
15 filing system.

16 **Sec. 54.** RCW 43.07.180 and 1982 c 35 s 192 are each amended to
17 read as follows:

18 The (~~secretary of state~~) department of financial institutions,
19 securities, and corporate affairs may, by rule adopted under chapter
20 34.05 RCW, adopt and implement a system of renewals for annual
21 corporate licenses or filings in which the renewal dates are staggered
22 throughout the year.

23 To facilitate the implementation of the staggered system, the
24 (~~secretary of state~~) department may extend the duration of corporate
25 licensing periods or report filing periods and may impose and collect
26 such additional proportional fees as may be required on account of the
27 extended periods.

28 **Sec. 55.** RCW 43.07.190 and 1991 c 72 s 56 are each amended to read
29 as follows:

30 Where the (~~secretary of state~~) department of financial
31 institutions, securities, and corporate affairs determines that a
32 summary face sheet or cover sheet would expedite review of any
33 documents made under Title 23B RCW, or chapter 18.100, 23.86, 23.90,
34 24.03, 24.06, 24.12, 24.20, 24.24, 24.36, or 25.10 RCW, the (~~secretary~~
35 ~~of state~~) department may require the use of a summary face sheet or
36 cover sheet that accurately reflects the contents of the attached
37 document. The (~~secretary of state~~) department may, by rule adopted

1 under chapter 34.05 RCW, specify the required contents of any summary
2 face sheet and the type of document or documents in which the summary
3 face sheet will be required, in addition to any other filing
4 requirements which may be applicable.

5 **Sec. 56.** RCW 43.07.210 and 1984 c 75 s 25 are each amended to read
6 as follows:

7 Any person who files a false statement, which he or she knows to be
8 false, in the articles of incorporation or in any other materials
9 required to be filed with the (~~secretary of state shall be~~)
10 department of financial institutions, securities, and corporate affairs
11 is guilty of a gross misdemeanor punishable under chapter 9A.20 RCW.

12 NEW SECTION. **Sec. 57.** RCW 43.07.170, 43.07.180, 43.19.190,
13 43.07.200, 43.07.210, 43.19.020, 43.19.030, 43.19.040, 43.19.050,
14 43.19.080, 43.19.090, 43.19.095, 43.19.100, 43.19.110, and 43.19.112
15 are each recodified as sections in chapter 43.-- RCW (sections 1
16 through 3 of this act).

17 NEW SECTION. **Sec. 58.** Sections 1 through 3 of this act shall
18 constitute a new chapter in Title 43 RCW.

19 NEW SECTION. **Sec. 59.** This act shall take effect September 1,
20 1993.

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