

SSB 5232 - H COMM AMD

By Committee on State Government & Tribal Affairs

ADOPTED AND ENGROSSED 4/1/11

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that consumer savings
4 is essential, both for individuals seeking to obtain the American
5 dream, and in order to rebuild a strong economy. The legislature
6 further finds that for most of the last two decades, consumers have
7 borrowed more than they have saved, with current United States savings
8 rates under six percent. The legislature intends to encourage
9 financial institutions to develop innovative products that create
10 incentives to encourage consumer savings, particularly savings by low-
11 income consumers.

12 **Sec. 2.** RCW 9.46.0356 and 2000 c 228 s 1 are each amended to read
13 as follows:

14 (1) The legislature authorizes:

15 (a) A business to conduct a promotional contest of chance as
16 defined in this section, in this state, or partially in this state,
17 whereby the elements of prize and chance are present but in which the
18 element of consideration is not present;

19 (b) A financial institution, as defined in RCW 30.22.040, to
20 conduct a promotional contest of chance under this section in which:

21 (i) A drawing for an annual prize is held that includes as eligible
22 prize recipients only those persons who deposited funds at the
23 financial institution in a savings account, certificate of deposit, or
24 any other savings program and retained those funds for at least twelve
25 months in the savings account, certificate of deposit, or other savings
26 program; and (ii) drawings for other prizes are held from time to time
27 that include as eligible prize recipients only those persons who
28 deposited funds at the financial institution in a savings account,

1 certificate of deposit, or other savings program. No such contest may
2 be conducted, either wholly or partially, by means of the internet.

3 (2) Promotional contests of chance under this section are not
4 gambling as defined in RCW 9.46.0237.

5 (3) Promotional contests of chance shall be conducted as
6 advertising and promotional undertakings solely for the purpose of
7 advertising or promoting the services, goods, wares, and merchandise of
8 a business.

9 (4) No person eligible to receive a prize in a promotional contest
10 of chance under subsection (1)(a) of this section may be required to:

11 (a) Pay any consideration to the promoter or operator of the
12 business in order to participate in the contest; or

13 (b) Purchase any service, goods, wares, merchandise, or anything of
14 value from the business, however, for other than contests entered
15 through a direct mail solicitation, the promoter or sponsor may give
16 additional entries or chances upon purchase of service, goods, wares,
17 or merchandise if the promoter or sponsor provides an alternate method
18 of entry requiring no consideration.

19 (5) No person eligible to receive a prize in a promotional contest
20 of chance under subsection (1)(b) of this section may be required to
21 pay any consideration other than the deposit of funds, or purchase any
22 service, goods, wares, merchandise, or anything of value from the
23 financial institution.

24 (6)(a) As used in this section, "consideration" means anything of
25 pecuniary value required to be paid to the promoter or sponsor in order
26 to participate in a promotional contest. Such things as visiting a
27 business location, placing or answering a telephone call, completing an
28 entry form or customer survey, or furnishing a stamped, self-addressed
29 envelope do not constitute consideration.

30 (b) Coupons or entry blanks obtained by purchase of a bona fide
31 newspaper or magazine or in a program sold in conjunction with a
32 regularly scheduled sporting event are not consideration.

33 ~~((+6))~~ (7) Unless authorized by the commission, equipment or
34 devices made for use in a gambling activity are prohibited from use in
35 a promotional contest.

36 ~~((+7))~~ (8) This section shall not be construed to permit
37 noncompliance with chapter 19.170 RCW, promotional advertising of
38 prizes, and chapter 19.86 RCW, unfair business practices.

1 **Sec. 3.** RCW 19.170.020 and 1991 c 227 s 2 are each amended to read
2 as follows:

3 Unless the context clearly requires otherwise, the definitions in
4 this section apply throughout this chapter.

5 (1) "Person" means an individual, corporation, the state or its
6 subdivisions or agencies, business trust, estate, trust, partnership,
7 association, cooperative, or any other legal entity.

8 (2) "Prize" means a gift, award, travel coupon or certificate, free
9 item, or any other item offered in a promotion that is different and
10 distinct from the goods, service, or property promoted by a sponsor.
11 "Prize" does not include an item offered in a promotion where all of
12 the following elements are present:

13 (a) No element of chance is involved in obtaining the item offered
14 in the promotion;

15 (b) The recipient has the right to review the merchandise offered
16 for sale without obligation for at least seven days, and has a right to
17 obtain a full refund in thirty days for the return of undamaged
18 merchandise;

19 (c) The recipient may keep the item offered in the promotion
20 without obligation; and

21 (d) The recipient is not required to attend any sales presentation
22 or spend any sum in order to receive the item offered in the promotion.

23 (3) "Promoter" means a person conducting a promotion.

24 (4) "Promotion" means an advertising program, sweepstakes, contest,
25 direct giveaway, or solicitation directed to specific named
26 individuals, that includes the award of or chance to be awarded a
27 prize, but does not include a promotional contest of chance under RCW
28 9.46.0356(1)(b).

29 (5) "Offer" means a written notice delivered by hand, mail, or
30 other print medium offering goods, services, or property made as part
31 of a promotion to a person based on a representation that the person
32 has been awarded, or will be awarded, a prize.

33 (6) "Sponsor" means a person on whose behalf a promotion is
34 conducted to promote or advertise goods, services, or property of that
35 person.

36 (7) "Simulated check" means a document that is not currency or a
37 check, draft, note, bond, or other negotiable instrument but has the
38 visual characteristics thereof. "Simulated check" does not include a

1 nonnegotiable check, draft, note, or other instrument that is used for
2 soliciting orders for the purchase of checks, drafts, notes, bonds, or
3 other instruments and that is clearly marked as a sample, specimen, or
4 nonnegotiable.

5 (8) "Continuing obligation check" means a document that is a check,
6 draft, note, bond, or other negotiable instrument that, when cashed,
7 deposited, or otherwise used, imposes on the payee an obligation to
8 enter into a loan transaction. This definition does not include
9 checks, drafts, or other negotiable instruments that are used by
10 consumers to take advances on revolving loans, credit cards, or
11 revolving credit accounts.

12 (9) "Verifiable retail value" means:

13 (a) A price at which a promoter or sponsor can demonstrate that a
14 substantial number of prizes have been sold at retail in the local
15 market by a person other than the promoter or sponsor; or

16 (b) If the prize is not available for retail sale in the local
17 market, the retail fair market value in the local market of an item
18 substantially similar in each significant aspect, including size,
19 grade, quality, quantity, ingredients, and utility; or

20 (c) If the value of the prize cannot be established under (a) or
21 (b) of this subsection, then the prize may be valued at no more than
22 three times its cost to the promoter or sponsor.

23 (10) "Financial institution" means any bank, trust company, savings
24 bank, savings and loan association, credit union, industrial loan
25 company, or consumer finance lender subject to regulation by an
26 official agency of this state or the United States, and any subsidiary
27 or affiliate thereof.

28 **Sec. 4.** RCW 30.22.040 and 1981 c 192 s 4 are each amended to read
29 as follows:

30 Unless the context of this chapter otherwise requires, the terms
31 contained in this section have the meanings indicated.

32 (1) "Account" means a contract of deposit between a depositor or
33 depositors and a financial institution; the term includes a checking
34 account, savings account, certificate of deposit, savings certificate,
35 share account, savings bond, and other like arrangements.

36 (2) "Actual knowledge" means written notice to a manager of a
37 branch of a financial institution, or an officer of the financial

1 institution in the course of his employment at the branch, pertaining
2 to funds held on deposit in an account maintained by the branch
3 received within a period of time which affords the financial
4 institution a reasonable opportunity to act upon the knowledge.

5 (3) "Individual" means a human being; "person" includes an
6 individual, corporation, partnership, limited partnership, joint
7 venture, trust, or other entity recognized by law to have separate
8 legal powers.

9 (4) "Agent" means a person designated by a depositor or depositors
10 in a contract of deposit or other document to have the authority to
11 deposit and to make payments from an account in the name of the
12 depositor or depositors.

13 (5) "Agency account" means an account to which funds may be
14 deposited and from which payments may be made by an agent designated by
15 a depositor. In the event there is more than one depositor named on an
16 account, each depositor may designate the same or a different agent for
17 the purpose of depositing to or making payments of funds from a
18 depositor's account.

19 (6) "Single account" means an account in the name of one depositor
20 only.

21 (7) "Joint account without right of survivorship" means an account
22 in the name of two or more depositors and which contains no provision
23 that the funds of a deceased depositor become the property of the
24 surviving depositor or depositors.

25 (8) "Joint account with right of survivorship" means an account in
26 the name of two or more depositors and which provides that the funds of
27 a deceased depositor become the property of one or more of the
28 surviving depositors.

29 (9) "Trust and P.O.D. accounts" means accounts payable on request
30 to a depositor during the depositor's lifetime, and upon the
31 depositor's death to one or more designated beneficiaries, or which are
32 payable to two or more depositors during their lifetimes, and upon the
33 death of all depositors to one or more designated beneficiaries. The
34 term "trust account" does not include deposits by trustees or other
35 fiduciaries where the trust or fiduciary relationship is established
36 other than by a contract of deposit with a financial institution.

37 (10) "Trust or P.O.D. account beneficiary" means a person or

1 persons, other than a codepositor, who has or have been designated by
2 a depositor or depositors to receive the depositor's funds remaining in
3 an account upon the death of a depositor or all depositors.

4 (11) "Depositor", when utilized in determining the rights of
5 individuals to funds in an account, means an individual who owns the
6 funds. When utilized in determining the rights of a financial
7 institution to make or withhold payment, and/or to take any other
8 action with regard to funds held under a contract of deposit,
9 "depositor" means the individual or individuals who have the current
10 right to payment of funds held under the contract of deposit without
11 regard to the actual rights of ownership thereof by these individuals.
12 A trust or P.O.D. account beneficiary becomes a depositor only when the
13 account becomes payable to the beneficiary by reason of having survived
14 the depositor or depositors named on the account, depending upon the
15 provisions of the contract of deposit.

16 (12) "Financial institution" means a bank, trust company, mutual
17 savings bank, savings and loan association, or credit union authorized
18 to do business and accept deposits in this state under state or federal
19 law.

20 (13) "Depositor's funds" or "funds of a depositor" means the amount
21 of all deposits belonging to or made for the benefit of a depositor,
22 less all withdrawals of the funds by the depositor or by others for the
23 depositor's benefit, plus the depositor's prorated share of any
24 interest or dividends included in the current balance of the account
25 and any proceeds of deposit life insurance added to the account by
26 reason of the death of a depositor.

27 (14) "Payment(s)" of sums on deposit includes withdrawal, payment
28 by check or other directive of a depositor or his agent, any pledge of
29 sums on deposit by a depositor or his agent, any set-off or reduction
30 or other disposition of all or part of an account balance, and any
31 payments to any person under RCW 30.22.120, 30.22.140, 30.22.150,
32 30.22.160, 30.22.170, 30.22.180, 30.22.190, 30.22.200, and 30.22.220.

33 (15) "Proof of death" means a certified or authenticated copy of a
34 death certificate, or photostatic copy thereof, purporting to be issued
35 by an official or agency of the jurisdiction where the death
36 purportedly occurred, or a certified or authenticated copy of a record
37 or report of a governmental agency, domestic or foreign, that a person
38 is dead. In either case, the proofs constitute prima facie proof of

1 the fact, place, date, and time of death, and identity of the decedent
2 and the status of the dates, circumstances, and places disclosed by the
3 record or report.

4 (16) "Request" means a request for withdrawal, or a check or order
5 for payment, which complies with all conditions of the account,
6 including special requirements concerning necessary signatures and
7 regulations of the financial institution; but if the financial
8 institution conditions withdrawal or payment on advance notice, for
9 purposes of this chapter the request for withdrawal or payment is
10 treated as immediately effective and a notice of intent to withdraw is
11 treated as a request for withdrawal.

12 (17) "Withdrawal" means payment to a person pursuant to check or
13 other directive of a depositor.

14 (18) "Director" means the director of the department of financial
15 institutions or his or her designee.

16 (19) "Promotional contest of chance" means a promotional contest
17 conducted pursuant to RCW 9.46.0356(1)(b).

18 NEW SECTION. Sec. 5. A new section is added to chapter 30.22 RCW
19 to read as follows:

20 (1) If approved by its board of directors, a financial institution
21 may conduct a promotional contest of chance as permitted under RCW
22 9.46.0356(1)(b).

23 (2) A financial institution must not conduct a savings promotional
24 contest of chance, if, in the opinion of the director:

25 (a) It is likely to or does adversely affect the financial
26 institution's safety and soundness;

27 (b) It is administered in an unsafe and unsound or imprudent
28 manner, or in a manner that is likely to or does result in actual or
29 potential reputational harm to the financial institution; or

30 (c) It is likely to or has misled the financial institution's
31 members, depositors, or the general public.

32 (3) The director may examine the conduct of a promotional contest
33 of chance pursuant to his or her supervisory and examination powers
34 under:

35 (a) Title 30 RCW, in regard to a bank;

36 (b) Title 32 RCW, in regard to a mutual or stock savings bank; or

37 (c) Chapter 31.12 RCW, in regard to a state credit union.

1 (4) The director may exercise his or her full enforcement powers
2 under the titles and chapter in subsection (3) of this section and may
3 issue a cease and desist order for a violation of this section.

4 (5) A financial institution must maintain records sufficient to
5 facilitate an audit of a promotional contest of chance, and must
6 provide those records to the director upon request.

7 **Sec. 6.** RCW 31.12.402 and 2001 c 83 s 14 are each amended to read
8 as follows:

9 A credit union may:

10 (1) Issue shares to and receive deposits from its members in
11 accordance with RCW 31.12.416;

12 (2) Make loans to its members in accordance with RCW 31.12.426 and
13 31.12.428;

14 (3) Pay dividends and interest to its members in accordance with
15 RCW 31.12.418;

16 (4) Impose reasonable charges for the services it provides to its
17 members;

18 (5) Impose financing charges and reasonable late charges in the
19 event of default on loans, subject to applicable law, and recover
20 reasonable costs and expenses, including, but not limited to,
21 collection costs, and reasonable attorneys' fees incurred both before
22 and after judgment, incurred in the collection of sums due, if provided
23 for in the note or agreement signed by the borrower;

24 (6) Acquire, lease, hold, assign, pledge, sell, or otherwise
25 dispose of interests in personal property and in real property in
26 accordance with RCW 31.12.438;

27 (7) Deposit and invest funds in accordance with RCW 31.12.436;

28 (8) Borrow money, up to a maximum of fifty percent of its total
29 shares, deposits, and net worth;

30 (9) Discount or sell any of its assets, or purchase any or all of
31 the assets of another credit union, out-of-state credit union, or
32 federal credit union. However, a credit union may not discount or sell
33 all, or substantially all, of its assets without the approval of the
34 director;

35 (10) Accept deposits of deferred compensation of its members;

36 (11) Act as fiscal agent for and receive payments on shares and

1 deposits from the federal government or this state, and any agency or
2 political subdivision thereof;

3 (12) Engage in activities and programs as requested by the federal
4 government, this state, and any agency or political subdivision
5 thereof, when the activities or programs are not inconsistent with this
6 chapter;

7 (13) Hold membership in credit unions, out-of-state credit unions,
8 or federal credit unions and in organizations controlled by or
9 fostering the interests of credit unions, including, but not limited
10 to, a central liquidity facility organized under state or federal law;

11 (14) Pay additional dividends and interest to members, or an
12 interest rate refund to borrowers;

13 (15) Enter into lease agreements, lease contracts, and
14 lease-purchase agreements with members;

15 (16) Act as insurance agent or broker for the sale to members of:

16 (a) Group life, accident, health, and credit life and disability
17 insurance; and

18 (b) Other insurance that other types of Washington state-chartered
19 financial institutions are permitted to sell, on the same terms and
20 conditions that these institutions are permitted to sell such
21 insurance;

22 (17) Impose a reasonable service charge for the administration and
23 processing of accounts that remain dormant for a period of time
24 specified by the credit union;

25 (18) Establish and operate on-premises or off-premises electronic
26 facilities;

27 (19) Enter into formal or informal agreements with another credit
28 union for the purpose of fostering the development of the other credit
29 union;

30 (20) Work with community leaders to develop and prioritize efforts
31 to improve the areas where their members reside by making investments
32 in the community through contributions to organizations that primarily
33 serve either a charitable, social, welfare, or educational purpose, or
34 are exempt from taxation pursuant to section 501(c)(3) of the internal
35 revenue code;

36 (21) Limit the personal liability of its directors in accordance
37 with provisions of its articles of incorporation that conform with RCW
38 23B.08.320;

1 (22) Indemnify its directors, supervisory committee members,
2 officers, employees, and others in accordance with provisions of its
3 articles of incorporation or bylaws that conform with RCW 23B.08.500
4 through 23B.08.600;

5 (23) Conduct a promotional contest of chance as authorized in RCW
6 9.46.0356(1)(b), as long as the conditions of RCW 9.46.0356(5) and
7 section 5 of this act are complied with to the satisfaction of the
8 director; and

9 ~~((23))~~ (24) Exercise such incidental powers as are necessary or
10 convenient to enable it to conduct the business of a credit union.

11 **Sec. 7.** RCW 30.08.140 and 1996 c 2 s 5 are each amended to read as
12 follows:

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

16 (1) To adopt and use a corporate seal.

17 (2) To have perpetual succession.

18 (3) To make contracts.

19 (4) To sue and be sued, the same as a natural person.

20 (5) To elect directors who, subject to the provisions of the
21 corporation's bylaws, shall have power to appoint such officers as may
22 be necessary or convenient, to define their powers and duties and to
23 dismiss them at pleasure, and who shall also have general supervision
24 and control of the affairs of such corporation.

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

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

33 (8) To discount and negotiate promissory notes, drafts, bills of
34 exchange and other evidences of debt, to receive deposits of money and
35 commercial paper, to lend money secured or unsecured, to issue all
36 forms of letters of credit, to buy and sell bullion, coins and bills of
37 exchange.

1 (9) To take and receive as bailee for hire upon terms and
2 conditions to be prescribed by the corporation, for safekeeping and
3 storage, jewelry, plate, money, specie, bullion, stocks, bonds,
4 mortgages, securities and valuable paper of any kind and other valuable
5 personal property, and to rent vaults, safes, boxes and other
6 receptacles for safekeeping and storage of personal property.

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

11 (11) To accept drafts or bills of exchange drawn upon it having not
12 more than six months sight to run, which grow out of transactions
13 involving the importation or exportation of goods; or which grow out of
14 transactions involving the domestic shipment of goods, providing
15 shipping documents conveying or securing title are attached at the time
16 of acceptance; or which are secured at the time of acceptance by a
17 warehouse receipt or other such document conveying or securing title to
18 readily marketable staples. No bank shall accept, either in a foreign
19 or a domestic transaction, for any one person, company, firm or
20 corporation, to an amount equal at any one time in the aggregate to
21 more than ten percent of its paid up and unimpaired capital stock and
22 surplus unless the bank is secured by attached documents or by some
23 other actual security growing out of the same transaction as the
24 acceptance; and no bank shall accept such bills to an amount equal at
25 any time in the aggregate to more than one-half of its paid up and
26 unimpaired capital stock and surplus: PROVIDED, HOWEVER, That the
27 director, under such general regulations applicable to all banks
28 irrespective of the amount of capital or surplus, as the director may
29 prescribe may authorize any bank to accept such bills to an amount not
30 exceeding at any time in the aggregate one hundred percent of its paid
31 up and unimpaired capital stock and surplus: PROVIDED, FURTHER, That
32 the aggregate of acceptances growing out of domestic transactions shall
33 in no event exceed fifty percent of such capital stock and surplus.

34 (12) To accept drafts or bills of exchange drawn upon it, having
35 not more than three months sight to run, drawn under regulations to be
36 prescribed by the director by banks or bankers in foreign countries or
37 dependencies or insular possessions of the United States for the
38 purpose of furnishing dollar exchange as required by the usages of

1 trade in the respective countries, dependencies or insular possessions.
2 Such drafts or bills may be acquired by banks in such amounts and
3 subject to such regulations, restrictions and limitations as may be
4 provided by the director: PROVIDED, HOWEVER, That no bank shall accept
5 such drafts or bills of exchange referred to in this subdivision for
6 any one bank to an amount exceeding in the aggregate ten percent of the
7 paid up and unimpaired capital and surplus of the accepting bank unless
8 the draft or bill of exchange is accompanied by documents conveying or
9 securing title or by some other adequate security, and that no such
10 drafts or bills of exchange shall be accepted by any bank in an amount
11 exceeding at any time the aggregate of one-half of its paid up and
12 unimpaired capital and surplus: PROVIDED FURTHER, That compliance by
13 any bank which is a member of the federal reserve system of the United
14 States with the rules, regulations and limitations adopted by the
15 federal reserve board thereof with respect to the acceptance of drafts
16 or bills of exchange by members of such federal reserve system shall be
17 a sufficient compliance with the requirements of this subdivision or
18 paragraph relating to rules, regulations and limitations prescribed by
19 the director.

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

22 (14) To serve as custodian of an individual retirement account and
23 pension and profit sharing plans qualified under internal revenue code
24 section 401(a), the assets of which are invested in deposits of the
25 bank or trust company or are invested, pursuant to directions from the
26 customer owning the account, in securities traded on a national
27 securities market: PROVIDED, That the bank or trust company shall
28 accept no investment responsibilities over the account unless it is
29 granted trust powers by the director.

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

32 (16) To exercise any other power or authority permissible under
33 applicable state or federal law conducted by out-of-state state banks
34 with branches in Washington to the same extent if, in the opinion of
35 the director, those powers and authorities affect the operations of
36 banking in Washington or affect the delivery of financial services in
37 Washington.

1 (17) To conduct a promotional contest of chance as authorized in
2 RCW 9.46.0356(1)(b), as long as the conditions of RCW 9.46.0356(5) and
3 section 5 of this act are complied with to the satisfaction of the
4 director.

5 **Sec. 8.** RCW 32.08.140 and 1999 c 14 s 17 are each amended to read
6 as follows:

7 Every mutual savings bank incorporated under this title shall have,
8 subject to the restrictions and limitations contained in this title,
9 the following powers:

10 (1) To receive deposits of money, to invest the same in the
11 property and securities prescribed in this title, to declare dividends
12 in the manner prescribed in this title, and to exercise by its board of
13 trustees or duly authorized officers or agents, subject to law, all
14 such incidental powers as shall be necessary to carry on the business
15 of a savings bank.

16 (2) To issue transferable certificates showing the amounts
17 contributed by any incorporator or trustee to the guaranty fund of such
18 bank, or for the purpose of paying its expenses. Every such
19 certificate shall show that it does not constitute a liability of the
20 savings bank, except as otherwise provided in this title.

21 (3) To purchase, hold and convey real property as prescribed in RCW
22 32.20.280.

23 (4) To pay depositors as hereinafter provided, and when requested,
24 pay them by drafts upon deposits to the credit of the savings bank in
25 any city in the United States, and to charge current rates of exchange
26 for such drafts.

27 (5) To borrow money in pursuance of a resolution adopted by a vote
28 of a majority of its board of trustees duly entered upon its minutes
29 whereon shall be recorded by ayes and noes the vote of each trustee,
30 for the purpose of repaying depositors, and to pledge or hypothecate
31 securities as collateral for loans so obtained. Immediate written
32 notice shall be given to the director of all amounts so borrowed, and
33 of all assets so pledged or hypothecated.

34 (6) Subject to such regulations and restrictions as the director
35 finds to be necessary and proper, to borrow money in pursuance of a
36 resolution, policy, or other governing document adopted by its board of
37 trustees, for purposes other than that of repaying depositors and to

1 pledge or hypothecate its assets as collateral for any such loans,
2 provided that no amount shall at any time be borrowed by a savings bank
3 pursuant to this subsection (6), if such amount, together with the
4 amount then remaining unpaid upon prior borrowings by such savings bank
5 pursuant to this subsection (6), exceeds thirty percent of the assets
6 of the savings bank.

7 The sale of securities or loans by a bank subject to an agreement
8 to repurchase the securities or loans shall not be considered a
9 borrowing. Borrowings from federal, state, or municipal governments or
10 agencies or instrumentalities thereof shall not be subject to the
11 limits of this subsection.

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

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

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

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

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

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

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

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

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

8 (16) To exercise the powers and authorities conferred by RCW
9 30.04.215.

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

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

14 (19) To exercise the powers and authorities that may be exercised
15 by an insured state bank in compliance with 12 U.S.C. Sec. 1831a.

16 (20) To conduct a promotional contest of chance as authorized in
17 RCW 9.46.0356(1)(b), as long as the conditions of RCW 9.46.0356(5) and
18 section 5 of this act are complied with to the satisfaction of the
19 director.

20 NEW SECTION. Sec. 9. Sections 7 and 8 of this act take effect
21 when the director of the department of financial institutions finds
22 that a federal regulatory agency has, through federal law, regulation,
23 or official regulatory interpretation, interpreted federal law to
24 permit banks operating under the authority of Title 30 or 32 RCW to
25 conduct a promotional contest of chance as defined in RCW 30.22.040."

26 Correct the title.

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