

hereafter amended, the director may issue a funeral director's or embalmer's license under this chapter. (~~Recognition shall not be extended to funeral directors or embalmers holding licenses from other states unless reciprocal rights are granted to holders of funeral directors' or embalmers' licenses granted in the state of Washington. Reciprocal~~) The license(s) may be renewed annually upon payment of the renewal license fee as herein provided by license holders residing in the state of Washington. (~~No person is entitled to a reciprocal license as a funeral director or embalmer unless he furnishes proof that he has, in the state in which he is regularly licensed, complied with requirements substantially equal to those imposed by this chapter.~~)

NEW SECTION. Sec. 23. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 24. This act shall take effect on September 1, 1982, with the exception of sections 20, 21, and 22 of this act, which are necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House February 15, 1982.

Passed the Senate March 8, 1982.

Approved by the Governor March 26, 1982.

Filed in Office of Secretary of State March 26, 1982.

CHAPTER 67

[House Bill No. 934]

CREDIT UNIONS—POWERS—SHARE GUARANTY CONTINGENCY RESERVES

AN ACT Relating to credit unions; amending section 2, chapter 80, Laws of 1975 1st ex. sess. and RCW 31.12A.005; amending section 3, chapter 80, Laws of 1975 1st ex. sess. as amended by section 11, chapter 41, Laws of 1980 and RCW 31.12A.010; amending section 5, chapter 80, Laws of 1975 1st ex. sess. and RCW 31.12A.030; amending section 6, chapter 80, Laws of 1975 1st ex. sess. and RCW 31.12A.040; amending section 7, chapter 80, Laws of 1975 1st ex. sess. as amended by section 12, chapter 41, Laws of 1980 and RCW 31.12A.050; amending section 8, chapter 80, Laws of 1975 1st ex. sess. and RCW 31.12A.060; and amending section 11, chapter 80, Laws of 1975 1st ex. sess. and RCW 31.12A.090.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 2, chapter 80, Laws of 1975 1st ex. sess. and RCW 31.12A.005 are each amended to read as follows:

The purpose of this chapter is to provide funds arising from assessments upon member credit unions chartered by the state of Washington (1) to

guarantee payment, to the extent herein provided, to credit union shareholders of the amount of loss to their share and deposit accounts in a liquidating member credit union, and (2) to provide other services to promote the stability of state-chartered credit unions. In the judgment of the legislature, the foregoing purposes not being capable of accomplishment by a corporation created under general laws, the creation of the nonprofit association hereinafter in this chapter described is deemed essential for the protection of the general welfare.

Sec. 2. Section 3, chapter 80, Laws of 1975 1st ex. sess. as amended by section 11, chapter 41, Laws of 1980 and RCW 31.12A.010 are each amended to read as follows:

As used in this chapter, unless the context otherwise requires((:)), the terms defined in this section shall have the meanings indicated.

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

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

~~((2))~~ (3) "Board" means board of directors of the guaranty association((:)).

~~((3))~~ (4) "Credit union" means a credit union organized and authorized under laws contained in chapter 31.12 RCW, as now or hereafter amended((:)).

~~((4))~~ (5) "Initial member" means a member qualified by the supervisor within sixty days after September 1, 1975, but not yet ratified by the board((:)).

~~((5))~~ (6) "Member" means a member of the guaranty association, ratified by the board((:)).

~~((6))~~ (7) "Share account" of a credit union shareholder includes the share ~~((accounts))~~ and/or deposit accounts and the share and/or deposit certificates of which the shareholder is owner of record with the credit union((:)).

~~((7))~~ (8) "Shareholder" includes both members and nonmembers of a credit union, who have either shares and/or deposits in the credit union, including deposits of deferred compensation as referred to in RCW 31.12.305(~~(; and)~~).

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

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

Sec. 3. Section 5, chapter 80, Laws of 1975 1st ex. sess. and RCW 31.12A.030 are each amended to read as follows:

The association shall have power:

(1) To use a seal, to contract, to sue and be sued;

(2) To make bylaws for conduct of its affairs, not inconsistent with the provisions of this chapter;

(3) To lend and to borrow money, and require and give security;

(4) To receive, collect, and enforce by legal proceedings, if necessary, payment of all assessments for which any member may be liable under this chapter, and payment of any other debt or obligation due the association;

(5) To invest and reinvest its funds in investments permitted for credit unions in RCW 31.12.260, as now or hereafter amended, provided such investments do not exceed a maximum maturity of ~~((ninety days))~~ one year;

(6) To acquire, hold, convey, dispose of and otherwise engage in transactions involving or affecting real and personal property of all kinds; ~~((and))~~

(7) To assess each member an amount not exceeding that permitted in RCW 31.12A.050 for liquidations to cover the expense of operation of the association, as established in the bylaws, and for such other proper purposes of the association;

(8) To enter into contracts of insurance or reinsurance, insuring in whole or in part its contractual guaranties to its member credit unions and other insurance or bonding contracts necessary or advisable in the conduct of its business; and

(9) To carry out the applicable provisions of this chapter.

Sec. 4. Section 6, chapter 80, Laws of 1975 1st ex. sess. and RCW 31.12A.040 are each amended to read as follows:

(1) Every credit union meeting the following qualifications is eligible for membership in the association:

(a) Must be in business as a duly authorized credit union.

(b) Must be operating in compliance with applicable laws and the rules and regulations of the supervisor.

(c) Must not be in the process of liquidation, either voluntary or involuntary.

(2) Prior to the operative date stated in subsection (3) ~~((hereof))~~ of this section, application for membership shall be made by the credit union in writing to the association on forms designed and furnished by the association, and filed with the ~~((secretary-treasurer))~~ secretary. An application fee, as fixed in the bylaws ~~((for operation expense))~~, payable to the order of the association, shall accompany each such application. ~~((Should additional operational funds become necessary, an assessment not to exceed an amount, as fixed in the bylaws, per year may be levied by the board against each member.))~~ If the application is found to be:

(a) Complete, and the applicant qualified for membership: The association shall issue and deliver to the applicant a certificate of membership in appropriate form.

(b) Incomplete: The association shall require the applicant to refile said application in its entirety within thirty days.

(c) Not qualified: The association shall notify said applicant within thirty days of filing: PROVIDED, That said applicant will be allowed to meet qualification standards under conditions as provided in the bylaws of the association.

(3) The initial membership of the association shall be comprised of all those credit unions qualified under subsection (1) (~~hercof~~) of this section by the supervisor within sixty days after September 1, 1975, with final ratification by the initial board of directors subject to full compliance of all qualifications for membership within one hundred twenty days after September 1, 1975.

(4) Membership in either this association or the federal share insurance program under the national credit union administration shall be mandatory.

Sec. 5. Section 7, chapter 80, Laws of 1975 1st ex. sess. as amended by section 12, chapter 41, Laws of 1980 and RCW 31.12A.050 are each amended to read as follows:

(1) (~~Establishment of the share guaranty association contingency reserve shall be accomplished by setting aside from each initial member's guaranty fund an amount equal to one-half of one percent of the total insurable outstanding shares and deposit balances as of the 31st of December preceding September 1, 1975:~~) Credit unions approved by the supervisor and ratified by the board for membership subsequent to those initial members shall establish a share guaranty association contingency reserve by (~~setting aside~~) transferring from their guaranty fund an amount equal to one-half of one percent of the total insurable outstanding share and deposit balances as of the 31st of December of the year preceding membership. When one member credit union is merged into another member credit union, the continuing credit union shall include in its share guaranty contingency reserve the amount of the share guaranty contingency reserve of the merged credit union. A nonmember credit union merging with a member credit union must transfer into the share guaranty contingency reserve of the continuing credit union an amount equal to one-half of one percent of the total insurable outstanding share and deposit balances of the nonmember credit union as of the effective date of the merger, as determined by the supervisor. Such sum shall be retained in the credit union share guaranty contingency reserve as an integral part of its guaranty fund until such time and if necessary to be drawn for the purposes set forth in this chapter.

(2) Continued funding of the association shall be by annual (~~assessment~~) transfer at the rate of (~~one-forty-fifth~~) one-eighteenth of one percent of each member's insurable outstanding share and deposit balance as of December 31st of each (~~preceding~~) year. Such funds shall be retained by the member in its share guaranty contingency reserve until such time it becomes necessary to be drawn for the purposes set forth in this chapter. Such sum may be offset from the statutory transfer requirement to the guaranty fund. The board, with concurrence of the supervisor, shall

have authority to ~~((assess))~~ require a transfer of an additional amount not to exceed ~~((one-forty-fifth))~~ one-eighteenth of one percent of each member's insurable share and deposit balance in any one year, as conditions may warrant, to be retained until such time it becomes necessary to be drawn for the purposes set forth in this chapter.

(3) Members' share guaranty association contingency reserve funds shall be invested in investments as permitted in the bylaws of the association.

(4) The board, in concurrence with the supervisor, may also suspend or diminish the ~~((assessment))~~ transfer in any given period after reaching a normal operating sufficiency as provided in the bylaws.

(5) Membership in this association may be terminated upon approval by a majority of the credit union members responding to such a proposal and subject further to acceptance by the national credit union administration of continued share insurance coverage under the national credit union administration share insurance program. Notice of such intentions shall be in writing to the association's board of directors at least twelve months prior to such contemplated action: PROVIDED, That in the event of conversion from state to federal credit union charter the converting member will notify the association in compliance with RCW 31.12.390. Share guarantee coverage through the association will terminate with the effective date of the federal charter.

Sec. 6. Section 8, chapter 80, Laws of 1975 1st ex. sess. and RCW 31.12A.060 are each amended to read as follows:

(1) The affairs and operations of the association shall be managed and conducted by a board of directors and officers.

(2) The board shall consist of not more than five directors, as provided by the bylaws. Directors shall be elected by members for terms, as fixed by the bylaws, of not more than three years. The board shall have power to fill vacancies occurring during the interim between annual meetings and until an election is held at the next annual meeting, to fill that portion of the unexpired term.

(3) The officers shall be elected by the board, and shall be a chairman of the board, a vice chairman, ~~((and a secretary-treasurer))~~ a secretary and a treasurer. The offices of secretary and treasurer may be held by the same person. The officers shall have the usual and customary powers and responsibilities of the respective offices, as fixed by the bylaws.

(4) The directors shall be compensated only to the extent of actual out-of-pocket travel and meeting expenses as provided in the bylaws.

Sec. 7. Section 11, chapter 80, Laws of 1975 1st ex. sess. and RCW 31.12A.090 are each amended to read as follows:

(1) In the event a member of the association is placed in liquidation, either voluntary or involuntary, the supervisor or his representative shall determine as soon as is reasonably possible the probable ~~((net))~~ assessment, if any, resulting therefrom to its shareholders. If ~~((a-net))~~ an assessment

seems to be indicated, the supervisor or his representative shall promptly inform the association in writing of the probable amount of such assessment. In determining the probable ~~((net))~~ assessment ~~((of))~~ for the liquidating member, charges, if any, for services of the supervisor or his representative, or his staff, as well as accrued but unpaid interest or dividends on share accounts, shall not be deemed liabilities of the liquidating credit union; and, with the consent of the association, all illiquid holdings (furniture, fixtures and other personal property) of the liquidating member, at the fair recoverable value thereof, as determined by the supervisor or his representative, may be excluded as assets. In determining the ~~((net))~~ assessment as to a particular share account, the supervisor or his representative shall first deduct the amount of any accrued and currently payable obligation of the shareholder to the liquidating credit union.

(2) Within thirty days after receipt by the association of the foregoing information, the board shall notify the remaining members of the association of the aggregate amount required to make good the probable net loss to share accounts, subject to the following conditions:

(a) The amount of loss to be made good to any shareholder shall not be less than provided by the national credit union administration share insurance program, with authority vested in the association to increase the coverage.

(b) To the amount of the assessment as otherwise determined pursuant to this section, the board may add such amount as it may deem to be reasonably necessary to cover its clerical, mailing and other expense connected with the assessment and distribution of the proceeds thereof to shareholders of the liquidating credit union, not to exceed actual costs of such mailing and clerical services.

(c) The ~~((gross))~~ amount of the assessment shall be prorated among the assessed members against their share guaranty contingency reserve: PROVIDED, That members shall not be liable for any amount of assessment exceeding their share guaranty contingency reserve or for any assessments exceeding those permitted in RCW ~~((31.12A.040 and))~~ 31.12A.050 as now or hereafter amended.

(d) That a plan for an orderly and expeditious liquidation be presented to the board of directors for their consideration and approval. In cases where a central or other eligible credit union is authorized to act as liquidator or liquidating agent, the association would provide an indemnity against loss to such authorized credit union.

(3) In case of liquidation the board shall cause written notice to each member ~~((stating whether))~~ only if a potential assessment is indicated and ~~((, if so,))~~ the probable amount of such contingency as it relates to a percentage of their total share guaranty contingency reserve. The actual assessment~~((, if any,))~~ shall be paid by members upon completion of liquidation or sooner, as determined by the board of directors. In all cases

the total reserve structure of a liquidating credit union, including its share guaranty contingency reserve, shall be utilized in concluding the liquidation.

Passed the House February 12, 1982.

Passed the Senate March 8, 1982.

Approved by the Governor March 26, 1982.

Filed in Office of Secretary of State March 26, 1982.

CHAPTER 68

[House Bill No. 942]

ASIAN-AMERICAN AFFAIRS COMMISSION—MEMBERSHIP

AN ACT Relating to the membership requirements on the commission on Asian-American affairs; and amending section 4, chapter 140, Laws of 1974 ex. sess. as last amended by section 16, chapter 338, Laws of 1981 and RCW 43.117.040.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 4, chapter 140, Laws of 1974 ex. sess. as last amended by section 16, chapter 338, Laws of 1981 and RCW 43.117.040 are each amended to read as follows:

(1) The commission shall consist of (~~twenty-four~~) twelve members appointed by the governor. In making such appointments, the governor shall give due consideration to recommendations submitted to him by the commission. The governor may also consider nominations of members made by the various Asian-American organizations in the state. The governor shall consider nominations for membership based upon maintaining a balanced distribution of Asian-ethnic, geographic, sex, age, and occupational representation, where practicable.

(2) (~~The currently serving Asian-American advisory council members shall serve out their original terms which commenced on July 1, 1972, as follows: Seven to serve one year, seven to serve two years, and six to serve three years. Upon expiration of said original terms, subsequent~~) Appointments shall be for three years except in case of a vacancy, in which event appointment shall be only for the remainder of the unexpired term for which the vacancy occurs. Vacancies shall be filled in the same manner as the original appointments.

(3) Members shall receive (~~twenty-five dollars for each day or major portion thereof plus~~) reimbursement for travel expenses incurred in the performance of their duties in accordance with RCW 43.03.050 and 43.03.060 as now existing or hereafter amended.

(4) (~~Sixty percent of the membership plus one~~) Seven members shall constitute a quorum for the purpose of conducting business.