

CHAPTER 80.

[Sub. S. B. 108.]

MUTUAL SAVINGS BANKS.

AN ACT relating to mutual savings banks; amending section 32.08.060, chapter 13, Laws of 1955 and RCW 32.08.060; amending section 32.08.140, chapter 13, Laws of 1955 and RCW 32.08.140; amending section 32.08.150, chapter 13, Laws of 1955 and RCW 32.08.150; amending section 32.12.010, chapter 13, Laws of 1955 and RCW 32.12.010; amending section 32.12.090, chapter 13, Laws of 1955 and RCW 32.12.090; amending section 32.16.050, chapter 13, Laws of 1955 and RCW 32.16.050; amending chapter 13, Laws of 1955 and chapter 32.04 RCW by adding thereto a new section; amending chapter 13, Laws of 1955 and chapter 32.08 RCW by adding thereto a new section; and amending chapter 13, Laws of 1955 and chapter 32.20 RCW by adding thereto two new sections.

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

SECTION 1. Section 32.08.060, chapter 13, Laws of 1955 and RCW 32.08.060 are each amended to read as follows:

RCW 32.08.060 amended.

In case of approval, the supervisor shall forthwith give notice thereof to the proposed incorporators, and file one of the triplicate certificates in his own office, shall transmit another triplicate to the county auditor of the county in which such bank is to be located and shall transmit the third triplicate to the secretary of state. Upon receipt from the proposed incorporators of the same fees as are required for filing and recording other incorporation certificates, the county auditor and the secretary of state shall file the certificate in their respective offices, and the secretary of state shall record the same. Upon the filing of said incorporation certificate in triplicate approved as aforesaid in the offices of the supervisor, the secretary of state and county auditor, the persons named therein and their successors shall thereupon become and be a corporation, which corporation shall have the powers and

Organization and powers. Procedure upon approval.

Procedure up-
on approval.

be subject to the duties and obligations prescribed in this title and its corporate existence shall be perpetual, unless sooner terminated pursuant to law, but such corporation shall not receive deposits or engage in business until authorized so to do by the supervisor as provided in RCW 32.08.070.

RCW 32.08.140
amended.

SEC. 2. Section 32.08.140, chapter 13, Laws of 1955 and RCW 32.08.140 are each amended to read as follows:

Powers of
bank.

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

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

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

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

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

(5) To borrow money in pursuance of a resolution adopted by a vote of a majority of its board of trustees duly entered upon its minutes whereon shall be recorded by ayes and noes the vote of each

trustee, for the purpose of repaying depositors, and to pledge or hypothecate securities as collateral for loans so obtained. Immediate written notice shall be given to the supervisor of all amounts so borrowed, and of all assets so pledged or hypothecated.

Powers of
bank.

(6) Subject to such regulations and restrictions as the supervisor finds to be necessary and proper, to borrow money in pursuance of a resolution adopted by a vote of a majority of its board of trustees duly entered upon its minutes whereon shall be recorded by ayes and noes the vote of each trustee, for purposes other than that of repaying depositors and to pledge or hypothecate its assets as collateral for any such loans, provided that no amount shall at any time be borrowed by a savings bank pursuant to this subsection (6), if such amount, together with the amount then remaining unpaid upon prior borrowings by such savings bank pursuant to this subsection (6), exceeds five per centum of the assets of the savings bank. When it shall appear to the supervisor that any bank is habitually borrowing for the purpose of re-lending, he may require the bank to pay off such borrowed money.

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

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

(9) To act as insurance agent for the purpose of writing fire insurance on property in which the bank has an insurable interest, the property to be located in the city in which the bank is situated and in the

Powers of bank.

immediate contiguous suburbs, notwithstanding anything in any other statute to the contrary.

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

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

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

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

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

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

RCW 32.08.150 amended.

SEC. 3. Section 32.08.150, chapter 13, Laws of 1955 and RCW 32.08.150 are each amended to read as follows:

Merchandising.

(1) A savings bank shall not purchase, deal or trade in any goods, wares, merchandise, or commodities whatsoever except such personal property as may be necessary for the transaction of its authorized business.

Exchange.

(2) Such banks shall not, nor shall any officer thereof in his attendance upon the business of such bank, in any manner buy or sell exchange on credit banks or bankers or buy or sell gold or silver except as in this title expressly authorized.

Certificate of deposit.

(3) Such bank shall not make or issue any certificate of deposit payable either on demand or at a fixed day.

SEC. 4. Section 32.12.010, chapter 13, Laws of 1955 and RCW 32.12.010 are each amended to read as follows:

RCW 32.12.010 amended.

When the aggregate amount of deposits and dividends to the credit of any depositor, including in such aggregate all deposits and dividends credited to the depositor as trustee or beneficiary of any voluntary and revocable trust and all deposits and dividends credited to the depositor and another, or others, in either joint or several form, is ten thousand dollars or more, such aggregate shall not be increased by the receipt from the depositor of any further deposit but may be increased by the crediting of dividends or by the consolidation of savings banks having common depositors. Additional accounts may, however, be maintained in the name of a parent as trustee for a dependent or minor child, or in the name of a child as trustee for a dependent parent; and additional accounts may be maintained by a person, society, or corporation as administrator, executor, guardian, or trustee under a will: *Provided*, That notwithstanding anything contained in this section, mutual savings banks may accept deposits to the fullest extent that such deposits are insured by the United States government, or any agency thereof, including the Federal Deposit Insurance Corporation.

Deposits—
Earnings—
Dividends.
Limitation of
deposits.

Every such bank may further limit the aggregate amount which an individual or any corporation or society may have to his or its credit to such sum as such bank may deem expedient to receive; and may in its discretion refuse to receive a deposit, or may at any time return all or any part of any deposits or require the withdrawal of any dividend.

SEC. 5. Section 32.12.090, chapter 13, Laws of 1955 and RCW 32.12.090 are each amended to read as follows:

RCW 32.12.090 amended.

(1) Every savings bank shall regulate the rate of dividends not to exceed six percent per annum upon

Dividends regulated.

Dividends regulated—
Declaration of rate.

the amounts to the credit of depositors therewith, in such manner that depositors shall receive as nearly as may be all the earnings of the bank after transferring the amount required by RCW 32.08.120 and such further amounts as its trustees may deem it expedient and for the security of the depositors to transfer to the guaranty fund, which to the amount of ten percent of the amount due its depositors the trustees shall gradually accumulate and hold. Such trustees may also deduct from its net earnings, and carry as reserves for losses, or other contingencies, or as undivided profits, such additional sums as they may deem wise.

Depositors classified to regulate dividends.

(2) Every savings bank may classify its depositors according to the character, amount or duration of their dealings with the savings bank, and may regulate the dividends in such manner that each depositor shall receive the same ratable portion of dividends as all others of his class.

(3) Unimpaired contributions to the initial guaranty fund and to the expense fund, made by the incorporators or trustees of a savings bank, shall be entitled to have dividends apportioned thereon, which may be credited and paid to such incorporators or trustees.

Whenever the guaranty fund of any savings bank is sufficiently large to permit the return of such contributions, the contributors may receive dividends thereon not theretofore credited or paid at the same rate paid to depositors.

Limitations on declaration of dividends.

(4) A savings bank shall not:

(a) Declare, credit or pay any dividend except as authorized by a vote of a majority of the board of trustees duly entered upon its minutes, whereon shall be recorded the ayes and noes upon each vote;

(b) Pay any dividend other than the regular quarterly or semiannual dividend, or the extra dividend prescribed in subsection (5) of this section;

(c) Declare, credit or pay dividends on any amount to the credit of a depositor for a longer period than the same has been credited: *Provided*,
Proviso. That deposits made not later than the tenth day of any month (unless the tenth day is not a business day, in which case it may be the next succeeding business day), or withdrawn upon one of the last three business days of the month ending any quarterly or semiannual dividend period, may have dividends declared upon them for the whole of the period or month when they were so deposited or withdrawn: *Provided further*,
Proviso. That if the bylaws so provide, accounts closed between dividend periods may be credited with dividends at the rate of the last dividend, computing from the first dividend period to the date when closed.

(5) The trustees of any savings banks whose undivided profits and guaranty fund, determined in the manner prescribed in RCW 32.12.070, amount to more than twenty-five percent of the amount due its depositors, shall at least once in three years divide equitably the accumulation beyond such twenty-five percent as an extra dividend to depositors in excess of the regular dividend authorized.

A notice posted conspicuously in a savings bank of a change in the rate of dividends shall be equivalent to a personal notice.
Notice of changed rate.

SEC. 6. Section 32.16.050, chapter 13, Laws of 1955 and RCW 32.16.050 are each amended to read as follows:
RCW 32.16.050 amended.

(1) A trustee of a savings bank shall not directly or indirectly receive any pay or emolument for services as trustee, except as provided in this section.
Compensation of trustees.

(2) A trustee may receive, by affirmative vote of a majority of all the trustees, reasonable compensation for (a) attendance at meetings of the board of trustees; (b) service as an officer of the savings bank, provided his duties as officer require and receive his

Compensation
of trustees,
attorney.

regular and faithful attendance at the savings bank; (c) service in appraising real property for the savings bank; and (d) service as a member of a committee of the board of trustees: *Provided*, That a trustee receiving compensation for service as an officer pursuant to (b) shall not receive any additional compensation for service under (a), (c) or (d).

Proviso.

(3) An attorney for a savings bank, although he is a trustee thereof, may receive a reasonable compensation for his professional services, including examinations and certificates of title to real property on which mortgage loans are made by the savings bank; or if the bank requires the borrowers to pay all expenses of searches, examinations, and certificates of title, including the drawing, perfecting, and recording of papers, such attorney may collect of the borrower and retain for his own use the usual fees for such services, excepting any commissions as broker or on account of placing or accepting such mortgage loans.

(4) If an officer or attorney of a savings bank receives, on any loan made by the bank, any commission which he is not authorized by this section to retain for his own use, he shall immediately pay the same over to the savings bank.

New section.
RCW 32.04.082.

SEC. 7. There is added to chapter 13, Laws of 1955 and to chapter 32.04 RCW a new section, to be known as section 32.04.082, to read as follows:

Pension pay-
ments—Waiver
of offsets
attributable
to social security.

With respect to pension payments or retirement benefits payable by a mutual savings bank to any employee heretofore or hereafter retired, such bank may waive all or any part of any offsets thereto attributable to social security benefits receivable by such employee.

New section.
RCW 32.08.061.

SEC. 8. There is added to chapter 13, Laws of 1955 and to chapter 32.08 RCW a new section, to be known as section 32.08.061, to read as follows:

A mutual savings bank may amend its incorporation certificate to extend the period of its corporate existence for a further definite time or perpetually by a resolution adopted by a majority vote of its board of trustees. Triplicate copies of the resolution, subscribed and acknowledged by the president and secretary of such bank, shall be filed in the office of the supervisor within thirty days after its adoption. If the supervisor finds that the resolution conforms to law he shall, within sixty days after the date of the filing thereof, endorse upon each of the triplicates thereof, over his official signature, his approval and forthwith give notice thereof to the bank and shall file one of the triplicate certificates in his own office, shall transmit another triplicate to the county auditor of the county in which the main office of such bank is located and shall transmit the third triplicate to the secretary of state. Upon receipt from the mutual savings bank of the same fees as are required of general corporations for filing corresponding instruments, the county auditor and the secretary of state shall file the resolution in their respective offices, and the secretary of state shall record the same. Upon the filing of said resolution in triplicate, approved as aforesaid in the offices of the supervisor, the secretary of state and county auditor, the corporate existence of said bank shall continue for the period set forth in said resolution unless sooner terminated pursuant to law.

Extension of
period of
existence—
Procedure.

SEC. 9. There is added to chapter 13, Laws of 1955 and to chapter 32.20 RCW a new section, to be known as section 32.20.265, to read as follows:

New section,
RCW 32.20.265.

When, under any provision of this title, a written report is required of members of the board of investment of a mutual savings bank certifying according to their best judgment the value of any property to be mortgaged such value may be determined upon

Valuation of
property to be
mortgaged—
Appraiser's
opinion.

the signed opinion in writing of an appraiser appointed by the board of trustees of such bank.

New section.

SEC. 10. There is added to chapter 13, Laws of 1955, and to chapter 32.20 RCW, a new section to read as follows:

Obligation of corporations created as federal agency or instrumentality.

A mutual savings bank may invest its funds in capital stock, notes, bonds, debentures, or other such obligations of any corporation which is or hereafter may be created by the United States as a governmental agency or instrumentality: *Provided*, That the amount a mutual savings bank may so invest in the obligations of any one such corporation, pursuant to this section shall not exceed five percent of the funds of such savings bank, and the total amount a mutual savings bank may invest pursuant to this section shall not exceed ten percent of the funds of such savings bank: *Provided further*, That the amounts heretofore or hereafter invested by a mutual savings bank pursuant to any law of this state other than this section, even if such investment might also be authorized under this section, shall not be limited by the provisions of this section and amounts so invested pursuant to any such other law of this state shall not be included in computing maximum amounts which may be invested pursuant to this section.

Proviso.

Proviso.

Passed the Senate February 15, 1957.

Passed the House March 5, 1957.

Approved by the Governor March 13, 1957.