

and such moneys paid shall be used solely for arboretum purposes. Such reconveyance shall be made at such time as the state or such agency has agreed to pay the same.

SEC. 3. If any section, subsection, clause, sentence or phrase of this act is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this act, and the legislature hereby declares it would have enacted this act if such section, subsection, clause, sentence or phrase were omitted. Severability.

Passed the House March 2, 1959.

Passed the Senate March 8, 1959.

Approved by the Governor March 17, 1959.

CHAPTER 165.

[H. B. 459.]

BANKS AND TRUST COMPANIES.

AN ACT relating to banks and trust companies, removing restrictions on loans to directors; amending section 30.12.060, chapter 33, Laws of 1955 and RCW 30.12.060.

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

SECTION 1. Section 30.12.060, chapter 33, Laws of 1955, and RCW 30.12.060 are each amended to read as follows: RCW 30.12.060 amended.

Any bank or trust company shall be permitted to make loans to any employee of such corporation, or to purchase, discount or acquire, as security or otherwise, the obligation or debt of any employee to any other person, to the same extent as if the employee were in no way connected with the corporation. Any bank or trust company shall be permitted to make loans to any officer of such corporation, or to purchase, discount or acquire, as security or otherwise, the obligation or debt of any officer to any other person: *Provided*, That the total value Loans to officers or employees.

Loans to
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employees.

of the loans made and obligation acquired for any one officer shall not exceed twenty-five hundred dollars: *And provided further*, That no such loan shall be made, or obligation acquired, unless a resolution authorizing the same shall be adopted by a vote of a majority of the board of directors of such corporation, at a meeting of the board of directors of such corporation held within thirty days next prior to the making of such loan or discount, and such vote and resolution shall be entered in the corporate minutes. No loan shall be made by any bank or trust company to any director of such corporation, nor shall the note or obligation of such director be discounted by any such corporation, or by any officer or employee thereof in its behalf, unless a resolution authorizing the same shall be adopted by a vote of a majority of the entire board of directors of such corporation exclusive of the vote of such interested director, at a meeting of the board of directors of such corporation held within ninety days next prior to the making of such loan or discount, and such vote and resolution shall be entered in the corporate minutes.

Each bank or trust company shall at such times and in such form as may be required by the supervisor, report to the supervisor all outstanding loans to directors of such bank or trust company.

The amount of any endorsement or agreement of suretyship or guaranty of any such director to the corporation shall be construed to be a loan within the provisions of this section. Any modification of the terms of an existing obligation (excepting only such modifications as merely extend or renew the indebtedness) shall be construed to be a loan within the meaning of this section.

Passed the House February 21, 1959.

Passed the Senate March 9, 1959.

Approved by the Governor March 17, 1959.