

of this state, other states and agencies of the federal government in order to carry out the purpose and provisions of this act. Cooperation with governmental agencies.

SEC. 22. 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. Severability.

SEC. 23. This act shall take effect on July 1st, 1961. Effective date.

SEC. 24. Sections 15.20.010 through 15.12.110, chapter 11, Laws of 1961 (House Bill No. 1), and RCW 15.12.010 through 15.12.110 are each hereby repealed. Repeal.

Passed the Senate March 8, 1961.

Passed the House March 7, 1961.

Approved by the Governor March 20, 1961.

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## CHAPTER 222.

[ S. B. 354. ]

### SAVINGS AND LOAN ASSOCIATIONS.

AN ACT relating to savings and loan associations; amending sections 34, 51, 77 and 83, chapter 235, Laws of 1945 and RCW 33.12.050, 33.12.150, 33.28.020, and 33.32.040; amending section 57, chapter 235, Laws of 1945, as last amended by section 2, chapter 280, Laws of 1959, and RCW 33.12.130; and declaring an effective date.

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

SECTION 1. Section 34, chapter 235, Laws of 1945, and RCW 33.12.050 are each amended to read as follows: RCW 33.12.050 amended.

An association shall not borrow money or pledge, mortgage, or hypothecate any of its securities as collateral or security for the repayment of money borrowed except pursuant to a resolution adopted by Borrowing and pledging securities.

a vote of two-thirds of the members of its board of directors, which resolution and the vote thereon shall be entered upon the minutes.

RCW 33.12.150  
amended.

SEC. 2. Section 51, chapter 235, Laws of 1945, and RCW 33.12.150 are each amended to read as follows:

Semiannual  
credit to con-  
tingent fund.

The contingent fund shall constitute a reserve for the absorption of losses of an association.

Members shall not have, individually or collectively, any right or claim to the contingent fund except upon dissolution of the association.

Every association, as of June 30th and December 31st in each year, shall determine its net semiannual earnings, and shall credit to the contingent fund an amount equal to two percent of the amount by which the aggregate of loans and real estate contracts outstanding at the end of said six months' period exceeds the amount of such loans and real estate contracts outstanding at the beginning of the period or one-twentieth of one percent of the total savings accounts in the association at the end of the period, whichever is the greater, such sum so credited from earnings into the contingent fund to be in no event less than five percent of the net earnings of the association for such period. The amount so credited need not exceed fifteen percent of the net earnings during the first three years after an association opens for business.

RCW 33.12.130  
amended.

SEC. 3. Section 57, chapter 235, Laws of 1945, as last amended by section 2, chapter 280, Laws of 1959, and RCW 33.12.130 are each amended to read as follows:

Available fund  
requirements.

Every association shall have on hand at all times cash on hand and balances due from solvent banks or checks in transit for collection from solvent banks, or funds deposited on time or demand with the federal home loan bank of which the association is a stockholder, certificates of deposit or time deposits

in a bank, or savings accounts in other insured savings and loan associations or banks, or bonds or obligations authorized by RCW 33.24.020 to 33.24.040 and 33.24.090, which cash, bonds or other obligations shall not be pledged or otherwise held as security for the payment of any obligations of the association, as follows:

Ten percent of the aggregate of the savings accounts of its members, if the principal place of business of the association shall be in a city or town having a population of not more than twenty-five thousand persons;

Twelve percent of such savings accounts, if such principal place of business shall be in a city having a population in excess of twenty-five thousand persons and of not more than two hundred thousand persons; and

Fourteen percent of such savings accounts, if such principal place of business shall be in a city having a population of more than two hundred thousand persons.

Whenever an association shall have on hand less available funds or bonds or obligations than are hereinabove required or when it shall owe borrowed money in an amount equal to one-half of its legal borrowing capacity as fixed by the federal home loan bank of which the association is a stockholder, it shall discontinue the making of any loans or other investments, except those for which its commitments have previously been issued, until a status complying with the provisions of this section shall be re-established.

SEC. 4. Section 77, chapter 235, Laws of 1945, and RCW 33.28.020 are each amended to read as follows:

RCW 33.28.020  
amended.

Every savings and loan association organized under the laws of this state shall on or before the 31st day of July in each year, pay to the supervisor

License fees  
for domestic  
associations.

a license fee, for the ensuing fiscal year commencing July 1st, of fifty dollars. An additional fee of fifty dollars shall also be paid for each branch office operating and open to the public as of June 30th of the year in which the fee is payable.

The supervisor shall also collect from each association the actual cost for each examination of its condition charging a per diem rate not more than the rate charged federal savings and loan associations by the examining division of the federal home loan bank board.

RCW 33.32.040  
amended.

SEC. 5. Section 83, chapter 235, Laws of 1945, and RCW 33.32.040 are each amended to read as follows:

Foreign  
associations.  
Deposit to se-  
cure investors  
—Exceptions.

Every such foreign association or like corporation shall deposit with the supervisor forthwith cash or bonds of the United States, or bonds of any state, county, or municipality which are a legal investment for a domestic savings and loan association, or acceptable mortgages on improved real estate in the state of Washington, for a total of not less than its liability to investors in the state of Washington and not in excess of one and one-half times such investment. Such deposit shall be held as security until all claims of residents of this state shall have been fully redeemed and paid off, and its contracts and obligations have been fully performed and discharged.

The supervisor, in his discretion, may permit the withdrawal of any such securities upon such terms and conditions as he deems advisable. Such foreign association may collect and use the interest on any securities so deposited, as long as it fulfills its obligations and complies with the provisions of this title.

The foregoing provisions shall not apply to those foreign associations or corporations who have been granted and maintain insurance on their savings accounts from the federal savings and loan insurance corporation.

SEC. 6. The effective date of section 4 of this 1961 amendatory act is July 1, 1961. Effective date.

Passed the Senate February 17, 1961.

Passed the House March 9, 1961.

Approved by the Governor March 20, 1961.

CHAPTER 223.

[ S. B. 359. ]

RETIREMENT PLANS FOR UNIFORMED PERSONNEL OF CITIES.

AN ACT relating to public employment; and adding a new section to chapter 41.40 RCW.

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

SECTION 1. There is added to chapter 41.40 RCW a new section to read as follows: New section.

“Uniformed personnel” of cities and towns, as defined in RCW 41.44.030, as amended, shall have the right to withdraw from this system and to join the state-wide city employees’ retirement system established by chapter 41.44 RCW: *Provided*, That such action shall not result in a reduction or impairment of the benefits provided for the employees of such incorporated municipality by this system. The employee members of any incorporated municipality so withdrawing from this system shall retain all retirement credit, rights, privileges, and benefits which may have accrued as of the date of such withdrawal, and no further contributions to this system from such members or such incorporated municipality shall be required subsequent to the effective date of such withdrawal: *Provided further*, That such action shall be taken by the governing authority of the incorporated municipality, and only if it includes all of such uniformed personnel of the incorporated municipality.

State employees’ retirement system. Right to transfer from by uniformed personnel of city or town.

Passed the Senate March 9, 1961.

Passed the House March 8, 1961.

Approved by the Governor March 20, 1961.