CHAPTER 133.

[Senate Bill No. 65.]

BANKS AND TRUST COMPANIES.


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

Section 1. Section 30.04.090, chapter 33, Laws of 1955, as last amended by section 1, chapter 194, Laws of 1963, and RCW 30.04.090 are each amended to read as follows:

Every bank and trust company shall maintain available funds of not less than six percent of its savings account and time account deposits and not less than fifteen percent of all of its other deposits; such funds may consist of balances due it from such banks or trust companies as the supervisor may approve, and actual cash or checks on solvent banks located in the same city. Deficiencies in required available funds shall be computed on the basis of the average of daily net balances of such sums, covering semimonthly periods. The supervisor shall prescribe the dates for the commencement and ending of such periods. Each bank shall maintain a record of its daily computations of the above balances on forms prescribed by the supervisor. In the event of a deficiency for a semimonthly period, such bank shall immediately forward to the supervisor a report of such deficiency, the record of its computations for the period deficient and for the prior period, and such additional information as the
supervisor requests. This section shall not apply to a corporation which is a member of the federal reserve banking system and duly complies with all of the reserve and other requirements of that system.

NOTE: See also section 1, chapter 54, Laws of 1967 ex. sess.

Sec. 2. Section 30.04.140, chapter 33, Laws of 1955 and RCW 30.04.140 are each amended to read as follows:

No bank or trust company shall pledge or hypothecate any of its securities or assets to any depositor, or creditor, except that it may qualify as depositary for United States deposits, postal savings funds or other public funds, or funds held in trust and deposited by any public officer by virtue of his office, or funds held by the United States or the state of Washington, or any officer thereof in trust, or for funds of corporations owned or controlled by the United States, and may give such security for such deposits as are required by law or by the officer making the same; and it may give security to its trust department for deposits with itself which represent trust funds invested in savings accounts or which represent fiduciary funds awaiting investment or distribution: Provided, That any bank or trust company may borrow, for temporary purposes, not to exceed in the aggregate amount the paid-in capital and surplus thereof, and may pledge as security therefor assets of such corporation, not exceeding one and one-half times the amount borrowed.

Sec. 3. Section 30.24.030, chapter 33, Laws of 1955 and RCW 30.24.030 are each amended to read as follows:

A corporation doing a trust business may invest trust funds in savings accounts with itself to the extent that such deposits are insured by the Federal Deposit Insurance Corporation: Provided, That additional trust funds may be so invested by the cor-
poration if it first sets aside under the control of its trust department as collateral security:

(1) Direct obligations of the United States or other obligations fully guaranteed by the United States as to principal and interest; or

(2) Bonds or other obligations which constitute general obligations of any state of the United States or municipal subdivision thereof.

The securities so deposited or securities substituted therefor as collateral shall at all times be at least equal in market value to the amount of such funds so deposited.

Sec. 4. There is added to chapter 33, Laws of 1955 and to chapter 30.24 RCW a new section to read as follows:

Funds held by a bank or trust company in a fiduciary capacity awaiting investment or distribution shall not be held uninvested or undistributed any longer than is reasonable for the proper management of the account. Such funds, including managing agency accounts, may, unless prohibited by the instrument creating the trust or by other statutes of this state, be deposited in the commercial or savings or other department of the bank or trust company, provided that the bank or trust company shall first set aside under control of the trust department as collateral security:

(1) Direct obligations of the United States or other obligations fully guaranteed by the United States as to principal and interest; or

(2) Bonds or other obligations which constitute general obligations of any state of the United States or municipal subdivision thereof.

The securities so deposited or securities substituted therefor as collateral shall at all times be at least equal in market value to the amount of such funds so deposited, but such security shall not be required to the extent that the funds so deposited
are insured by the Federal Deposit Insurance Corporation.

Sec. 5. Section 30.20.015, chapter 33, Laws of 1955 as amended by section 6, chapter 280, Laws of 1961, and RCW 30.20.015 are each amended to read as follows:

After any deposit shall be made in a national bank, state bank, trust company or any banking institution subject to the supervision of the supervisor of banking of this state, by any person in the names of such depositor and one or more other persons and in form to be paid to any of them or the survivor of them, such deposit and any additions thereto made by any of such persons after the making thereof, shall become the property of such persons as joint tenants with the right of survivorship, and the same, together with all interest thereon, shall be held for the exclusive use of such persons and may be paid to any of them during their lifetimes or the survivor or survivors. The making of the deposit in such form shall, in the absence of fraud or undue influence, be conclusive evidence, in any action or proceeding to which either such bank or the surviving depositor is a party, of the intention of the depositors to vest title to such deposit and the additions thereto in the survivor or survivors.

Passed the Senate March 2, 1967.
Passed the House March 6, 1967.
Approved by the Governor March 21, 1967.