

The application of the provisions of this section is suspended until July 1, 1976.

NEW SECTION. Sec. 4. 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 its provisions to other persons or circumstances is not affected.

***NEW SECTION.** Sec. 5. *Section 1 of this 1975 act is 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.*

***Sec. 5. was vetoed, see message at end of chapter.**

Passed the Senate June 9, 1975.

Passed the House June 9, 1975.

Approved by the Governor July 2, 1975 with the exception of section 5 which was vetoed.

Filed in Office of Secretary of State July 2, 1975.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith without my approval as to one section Engrossed Senate Bill No. 2210 entitled:

"AN ACT Relating to education."

This bill authorizes school districts to establish and collect fees from students and non-students for participation in certain extracurricular activities.

Section 5 declares an emergency and provides for the act to take effect immediately. I have, on several recent occasions, expressed my increasing apprehension over repeated and unwarranted use of emergency clauses in bills that do not measure up to the standard of urgency contained in Article II, section 1(b) of our Constitution. I have vetoed emergency clauses from such bills, and must do so again for the same reason in the case of this bill.

With the exception of section 5 which I have vetoed, the remainder of Engrossed Senate Bill No. 2210 is approved."

CHAPTER 285

[Engrossed Senate Bill No. 2265]

ALIEN BANKS

AN ACT Relating to alien banks; amending section 11, chapter 53, Laws of 1973 1st ex. sess. and RCW 30.42.110; amending section 12, chapter 53, Laws of 1973 1st ex. sess. and RCW 30.42.120; amending section 16, chapter 53, Laws of 1973 1st ex. sess. and RCW 30.42.160; and declaring an emergency.

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

Section 1. Section 11, chapter 53, Laws of 1973 1st ex. sess. and RCW 30.42-.110 are each amended to read as follows:

An approved branch of an alien bank may carry on only the following types of activities:

(1) Deposits.

(a) The branch may solicit, receive, or accept money or its equivalent on deposit as a regular business from the following customers:

(i) Corporations, partnerships, or other business organizations, the majority of the beneficial ownership of which is owned by persons of a country other than the

United States and who are not residents of the United States, and any subsidiary or affiliate owned or controlled by such an organization;

(ii) Corporations organized under the laws of a state other than this state which have not obtained a certificate of authority to transact business in this state pursuant to chapter 23A.32 RCW;

(iii) Natural persons who are citizens of a country other than the United States and are not residents of the United States;

(iv) Any other person, if the deposit is to be transmitted abroad, or is to provide collateral or payments for extensions of credit by the branch, or represents proceeds of collections abroad which are to be used to pay for goods exported or imported or for other direct costs of export/import, or represents proceeds of the extension of credit by the branch;

(v) ~~The government of the country in which the alien bank is incorporated;~~
The government of any foreign country and any state, county, province, city or other political subdivision thereof:

(vi) Other banks;

(vii) Any other persons, provided that the aggregate of deposits from such persons shall not exceed twenty percent of the aggregate of deposits accepted pursuant to this section.

(b) A branch may accept demand deposits, time deposits, and savings deposits from the customers specified in this section only upon the same terms and conditions (including nature and extent of such deposits, withdrawal, and the payment of interest thereon) that banks organized under the laws of this state and insured by the Federal Deposit Insurance Corporation may accept such deposits. Such deposits shall be subject to RCW 30.20.010 through 30.20.035, as now or hereafter amended. The branch shall maintain reserves or minimum available funds in this state for such deposits to the same extent that reserves or minimum available funds must be maintained by banks organized under the laws of this state.

(2) Loans. A branch shall have the power to make loans and guarantee obligations subject to the following limitations:

(a) Customers. Loans or guarantees shall be restricted to the following types of customers:

(i) Corporations, partnerships or other business organizations, the majority of the beneficial ownership of which is owned by persons of a country other than the United States and who are not residents of the United States, and any subsidiary or affiliate owned or controlled by such an organization;

(ii) Corporations organized under the laws of a state other than this state which have not obtained a certificate of authority to transact business in this state pursuant to chapter 23A.32 RCW;

(iii) Natural persons who are citizens of a country other than the United States and are not residents of the United States;

(iv) Persons engaged in the international movement of goods and services; and

(v) Full time employees of the branch.

(b) Purpose. Loans and guarantees may be made only for the following purposes:

(i) With respect to customers specified in subsection (2)(a) (i), (ii), and (iii) of this section, for the financing of the international movement of goods and services

and for all operational needs including working capital and short-term operating needs and for the acquisition of fixed assets.

(ii) With respect to customers specified in subsection (2)(a)(iv) of this section, for the financing of the international movement of goods and services, and construction of facilities located and operations conducted outside of this state.

(iii) With respect to customers specified in subsection (2)(a)(v) of this section, for any lawful purpose.

(iv) Nothing herein shall permit a branch to make consumer loans to individuals except to the branch's own full-time employees.

(c) Amount. A branch shall be subject to the same loan limitations that apply to banks organized under the laws of this state; however, the base for computing the applicable loan limitation shall be the entire capital and surplus of the alien bank. The supervisor may adopt rules and regulations limiting the amount of loans to full time employees of the branch.

(3) Other activities. A branch of an alien bank in this state shall have the power to carry out these other activities:

(a) Borrow funds from banks and other financial institutions;

(b) Buy and sell foreign exchange;

(c) Receive checks, bills, drafts, acceptances, notes, bonds, coupons, and other securities for collection abroad and collect such instruments in the United States for customers abroad;

(d) Hold securities in safekeeping for, or buy and sell securities upon the order and for the risk of, customers abroad;

(e) Act as paying agent for securities issued by foreign governments or other organizations organized under foreign law and not qualified under the laws of the United States, or any state or the District of Columbia to do business in the United States;

(f) In order to prevent loss on debts previously contracted a branch may acquire shares in a corporation: PROVIDED, That the shares are disposed of as soon as practical but in no event later than two years from the date of acquisition;

(g) Issue letters of credit and create acceptances;

(h) In addition to the powers and activities expressly authorized by this section, a branch shall have the power to carry on such additional activities which are necessarily incidental to the activities expressly authorized by this section.

Sec. 2. Section 12, chapter 53, Laws of 1973 1st ex. sess. and RCW 30.42.120 are each amended to read as follows:

A branch shall not commence to transact in this state the business of accepting deposits or transact such business thereafter unless it has met the following requirements:

(1) It has obtained federal deposit insurance corporation insurance covering its eligible deposit liabilities within this state, or in lieu thereof, made arrangements satisfactory to the supervisor for maintenance within this state of additional capital equal to not less than ten percent of its deposit liabilities, computed on the basis of the average daily net deposit balances covering semimonthly periods as prescribed by the supervisor pursuant to RCW 30.04.090. Such additional capital shall be deposited in the manner provided in RCW 30.42.070.

(2) It holds in this state currency, bonds, notes, debentures, drafts, bills of exchange, or other evidences of indebtedness or other obligations payable in the United States or in United States' funds or, with the approval of the supervisor, in funds freely convertible into United States' funds, in an amount not less than one hundred eight percent of the aggregate amount of liabilities of such alien bank payable at or through its office in this state. When calculating the value of the assets so held, credit shall be given for the amounts deposited pursuant to RCW 30.42.060(3) and 30.42.120(1).

If deposits are not insured by the federal deposit insurance corporation, then that fact shall be disclosed to all depositors pursuant to rules and regulations of the supervisor.

Sec. 3. Section 16, chapter 53, Laws of 1973 1st ex. sess. and RCW 30.42.160 are each amended to read as follows:

An alien bank may purchase, hold and convey real estate for the following purposes and no other:

(1) Such as shall be necessary for the convenient transaction of its business, including with its banking offices other apartments in the same building to rent as a source of income: PROVIDED, That not to exceed thirty percent of its capital and surplus and undivided profits may be so invested without the approval of the supervisor.

(2) Such as shall be purchased or conveyed to it in satisfaction, or on account of, debts previously contracted in the course of business.

(3) Such as it shall purchase at sale under judgments, decrees, liens or mortgage foreclosures, against securities held by it.

(4) Such as it may take title to or for the purpose of investing in real estate conditional sales contracts.

(5) Such as shall be convenient for the residences of its employees.

No real estate except that specified in subsections (1) and (5) of this section may be carried as an asset on the corporation's books for a longer period than five years from the date title is acquired thereto, unless an extension of time be granted by the supervisor.

**NEW SECTION. Sec. 4. This act is 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.*

***Sec. 4. was vetoed, see message at end of chapter.**

Passed the Senate April 15, 1975.

Passed the House June 7, 1975.

Approved by the Governor July 2, 1975 with the exception of section 4 which is vetoed.

Filed in Office of Secretary of State July 2, 1975.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith without my approval as to one section Engrossed Senate Bill No. 2265 entitled:

"AN ACT Relating to alien banks."

This bill revises the regulations governing alien banks.

Section 4 declares an emergency and provides for the act to take effect immediately. I have, on several recent occasions, expressed my increasing apprehension

over repeated and unwarranted use of emergency clauses in bills that do not measure up to the standard of urgency contained in Article II, section 1(b) of our Constitution. I have vetoed emergency clauses from such bills, and must do so again for the same reason in the case of this bill.

With the exception of section 4 which I have vetoed, the remainder of Engrossed Senate Bill No. 2265 is approved."

CHAPTER 286

[Engrossed Senate Bill No. 2401]

ADJUSTMENT OF WORKMEN'S COMPENSATION PAYMENTS

AN ACT Relating to adjustment of workmen's compensation payments; amending section 17, chapter 289, Laws of 1971 ex. sess. as last amended by section 3, chapter 110, Laws of 1973 and RCW 51.32.073; adding a new section to chapter 23, Laws of 1961 and to chapter 51.32 RCW; and providing an effective date.

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

Section 1. Section 17, chapter 289, Laws of 1971 ex. sess. as last amended by section 3, chapter 110, Laws of 1973 and RCW 51.32.073 are each amended to read as follows:

Each employer shall retain from the earnings of each workman that amount as shall be fixed from time to time by the director, the basis for measuring said amount to be determined by the director. The money so retained shall be matched in an equal amount by each employer, and all such moneys shall be remitted to the department in such manner and at such intervals as the department directs and shall be placed in the supplemental pension fund: PROVIDED, That the state apprenticeship council shall pay the entire amount into the supplemental pension fund for registered apprentices or trainees during their participation in supplemental and related instruction classes. The moneys so collected shall be used exclusively for the additional payments prescribed in RCW 51.32.070 and for the amount of any increase payable under the provisions of section 2 of this 1975 amendatory act and shall be no more than necessary to make such payments on a current basis.

NEW SECTION. Sec. 2. There is added to chapter 23, Laws of 1961 and to chapter 51.32 RCW a new section to read as follows:

Effective July 1 of each year, the compensation or death benefits payable pursuant to the provisions of this chapter, for temporary total disability, permanent total disability or death arising out of injuries or occupational diseases shall be adjusted as follows:

(1) For those whose right to compensation was established on or after July 1, 1971, and before July 1, 1975, an initial adjustment shall be determined by multiplying the amount of compensation to which they are entitled by a fraction, the denominator of which shall be the maximum amount of compensation payable for the fiscal year in which such person's right to compensation was established, and the numerator of which shall be the maximum amount of compensation payable in the fiscal year ending June 30, 1975. After the initial adjustment has been made, subsequent adjustments shall be made in the same manner as provided in section 2 of this 1975 amendatory act, provided that the base upon which such