

CHAPTER 498

[Engrossed Substitute House Bill No. 341]

BANKS—POWER AND AUTHORITY—REVISIONS

AN ACT Relating to banks and banking; amending RCW 30.04.900; adding a new section to chapter 30.04 RCW; and repealing RCW 30.04.200.

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

NEW SECTION. Sec. 1. A new section is added to chapter 30.04 RCW to read as follows:

(1) A bank or trust company, alone or in conjunction with other entities, may form, incorporate, or invest in corporations or other entities, whether or not such other corporation or entity is related to the bank or trust company's business. The aggregate amount of funds invested, or used in the formation of corporations or other entities under this section shall not exceed ten percent of the assets or fifty percent of the net worth, whichever is less, of the bank or trust company. For purposes of this subsection, "net worth" means the aggregate of capital, surplus, undivided profits, and all capital notes and debentures which are subordinate to the interest of depositors.

(2) A bank or trust company may engage in an activity permitted under this section only with the prior authorization of the supervisor. In approving or denying a proposed activity, the supervisor shall consider the financial and management strength of the institution, the convenience and needs of the public, and whether the proposed activity should be conducted through a subsidiary or affiliate of the bank. The supervisor may not authorize under this section and no bank or trust company may act as an insurance or travel agent unless otherwise authorized by state statute.

Sec. 2. Section 54, chapter 279, Laws of 1986 and RCW 30.04.900 are each amended to read as follows:

(1) The ~~((supervisor of banking))~~ director of general administration shall study the financial institution structure in the state and report to the governor and the appropriate standing committees of the house of representatives and the senate on changes which should be made to enable ~~((commercial banks))~~ state chartered financial institutions to remain safe and sound and yet be competitive with other federally chartered and nonchartered financial institutions. In conducting the study the ~~((supervisor))~~ director shall consider:

(a) The powers which ~~((commercial banks))~~ financial institutions under state regulatory authority should be entitled to exercise;

(b) The level of supervision that is necessary to assure safe and sound ~~((commercial banks))~~ financial institutions without unnecessarily restricting the operation of the institutions;

(c) Whether the distinction ~~((between))~~ among commercial banks, savings banks, and savings and loan associations should be retained, and if so, whether there should continue to be differences in their powers;

(d) The general corporate powers that should be authorized for ~~((banking corporations))~~ financial institutions; and

(e) Any other matters deemed by the ~~((supervisor))~~ director to be relevant.

(2) The ~~((supervisor))~~ director, in conducting the study required by subsection (1) of this section shall consult with the supervisor of banking, with the supervisor of savings and loans and with representatives from all types of financial institutions, including large and small, urban and rural, commercial banks, savings banks, and savings and loan associations and credit unions. The ~~((supervisor))~~ director shall also advise the appropriate standing committees of the house of representatives and the senate of all meetings held to consider the study conducted under this section.

(3) The ~~((supervisor of banking))~~ director shall submit the report required by subsection (1) of this section not later than November 1, 1987. ~~((A progress report shall be submitted to the governor and the respective standing committees of the house of representatives and the senate not later than December 1, 1986.))~~

NEW SECTION. Sec. 3. Section 30.04.200, chapter 33, Laws of 1955 and RCW 30.04.200 are each repealed.

Passed the House April 21, 1987.

Passed the Senate April 13, 1987.

Approved by the Governor May 19, 1987.

Filed in Office of Secretary of State May 19, 1987.

CHAPTER 499

[Second Substitute House Bill No. 426]

COLUMBIA RIVER GORGE COMMISSION

AN ACT Relating to state government ratifying an interstate compact with the state of Oregon and establishing the Columbia River Gorge Commission; adding new sections to chapter 43.97 RCW; adding a new section to chapter 35.22 RCW; adding a new section to chapter 35.63 RCW; adding a new section to chapter 35A.63 RCW; adding a new section to chapter 36.32 RCW; adding a new section to chapter 36.70 RCW; adding a new section to chapter 90.58 RCW; repealing RCW 43.97.005, 43.97.010, 43.97.020, 43.97.030, 43.97.040, 43.97.060, 43.97.070, 43.97.080, 43.97.090, 43.97.900, 43.97A.010, 43.97A.020, 43.97A.030, 43.97A.040, and 43.97A.050; and declaring an emergency.

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

NEW SECTION. Sec. 1. The legislature of the State of Washington hereby ratifies the Columbia River Gorge Compact set forth below, and the provisions of such compact hereby are declared to be the law of this state upon such compact becoming effective as provided in Article III.