

CHAPTER 11.

[H. B. 39.]

BANKS AND TRUST COMPANIES.

AN ACT relating to banks and trust companies; providing for certain deductions before the declaration and payment of dividends thereby; providing the conditions and the manner in which dividends may be declared and authorizing the supervisor of banking to withhold the payment thereof; and amending Section 3240, Remington's Compiled Statutes of the State of Washington.

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

SECTION 1. That section 3240, Remington's Compiled Statutes of the State of Washington, be amended to read as follows:

Amends
§ 3240 Rem.
Comp. Stat.

Section 3240. No bank or trust company shall declare or pay any dividend to an amount greater than its net profits then on hand, which net profits shall be determined only after deducting:

Dividends
from net
profits.

Net profits
defined.

1. All losses.
2. All assets or depreciation that the supervisor of banking or a duly appointed examiner may have required to be charged off, and no bank or trust company shall enter or at any time carry on its books any of its assets at a valuation exceeding the actual cost to such bank or trust company without first obtaining the written consent of the supervisor of banking to such other valuation.
3. All expenses, interest and taxes accrued and/or due from said bank or trust company.
4. Unpaid interest although due or accrued.
5. Bad debts, as defined by section 3254 Remington's Compiled Statutes of the State of Washington, owing to such bank or trust company.

After providing for the above deductions the board of directors of any bank or trust company may at any regular meeting thereof declare a dividend out of so much of the undivided profits of such

bank or trust company as they shall judge expedient: *Provided, however,* That before any such dividend is declared or the net profits in any way disposed of not less than one-tenth of such net profits shall be carried to a surplus fund until the amount in such surplus fund shall be equal to 20% of the paid-in capital of such bank or trust company: *Provided, further,* That the supervisor of banking shall in his discretion have the power to require any bank or trust company to suspend the payment of any and all dividends until all requirements that may have been made by the supervisor of banking and/or any duly appointed examiner shall have been complied with, and upon notice to suspend dividends no bank or trust company shall thereafter declare and/or pay any dividends until such notice has been rescinded in writing.

Passed the House February 3, 1931.

Passed the Senate February 11, 1931.

Approved by the Governor February 21, 1931.

CHAPTER 12.

[H. B. 67.]

TIDE LANDS OF THE SECOND CLASS.

AN ACT authorizing and directing the commissioner of public lands permanently to withhold from sale or lease certain tide lands of the second class.

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

SECTION 1. That the commissioner of public lands of the State of Washington be and he is hereby authorized and directed permanently to withhold and withhold from sale, lease, exchange or private use all tide lands of the second class situated in front of, adjacent to or abutting upon lot three, section twenty-three and lots one, two and three, section twenty-six, township twenty-nine north,

Reserved
from sale,
lease or
exchange.

Particular
description.