

thousand dollars (\$5,000.00), or so much thereof as may be necessary, to pay for such printing as may be ordered by the twenty-fourth Legislature of the State of Washington, or either branch thereof, convened January 14, 1935 and now in session; this sum being additional to any and all sums which may heretofore have been appropriated for such use and purpose.

SEC. 2. This act is necessary for the support of the state government and shall take effect immediately. Effective immediately.

Passed the Senate March 8, 1935.

Passed the House March 8, 1935.

Approved by the Governor March 11, 1935.

CHAPTER 42.

[S. B. 88.]

BANKS, TRUST COMPANIES AND MUTUAL SAVINGS BANKS; CAPITAL NOTES OR DEBENTURES.

AN ACT relating to banks, trust companies and mutual savings banks; providing for the issuance of capital notes or debentures; defining the meaning thereof and construing the term capital as used herein; providing such capital notes and debentures shall be subordinate to depositors and other creditors; that capital stock may be carried on the books at less than par; that no assessment shall be levied upon the holders of capital notes or debentures; repealing all acts and parts of acts in conflict herewith.

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

SECTION 1. Capital notes or debentures, where used in this act, shall mean notes or other obligations issued by a bank, trust company or mutual savings bank, for money obtained and used as additional capital or to replace impaired capital stock; *Provided*, Such notes or other obligations are subordinate to the rights of depositors and other creditors.

Defining capital notes and debentures.

"Capital." The term "capital" where used in this act shall mean capital stock and/or capital notes.

Issuance and sale of notes. SEC. 2. With the approval of the supervisor of banking, any bank, trust company or mutual savings bank may at any time, through action of its board of directors, issue and sell its capital notes or debentures. Such capital notes or debentures shall be subordinate to the claims of depositors and other creditors.

Stock less than par. SEC. 3. Where any bank, trust company or mutual savings bank has issued and has outstanding capital notes or debentures, it may carry its capital stock on its books at a sum less than par, and it shall not be considered impaired so long as the amount of such capital notes or debentures equals or exceeds the impairment as found by the supervisor of banking.

Correction of any impairment. SEC. 4. Before such capital notes or debentures are retired or paid by the bank, trust company or mutual savings bank, any existing impairment of its capital stock must be overcome or corrected to the satisfaction of the supervisor of banking.

Not liable for assessment. SEC. 5. Such capital notes or debentures shall in no case be subject to any assessment. The holders of such capital notes or debentures shall not be held individually responsible, as such holders, for any debts, contracts or engagements of such institution, and as such holders, shall not be held liable for assessments to restore impairments in the capital of such institution.

Conflicting statutes repealed. SEC. 6. All laws or parts of laws in conflict herewith are hereby repealed.

Passed the Senate February 5, 1935.

Passed the House March 7, 1935.

Approved by the Governor March 11, 1935.