

section 2 of this 1981 act, may be located anywhere outside the state of Washington.

NEW SECTION. Sec. 2. There is added to chapter 30.43 RCW a new section to read as follows:

Subject to the approval of the appropriate supervisor, a financial institution may operate or use satellite facilities located outside the state of Washington, and, subject to the approval of the appropriate supervisor, satellite facilities located within the state of Washington may be made available to banks, trust companies, mutual savings banks, savings and loan associations, and credit unions which do not have offices in this state.

The supervisor's approval shall be conditioned on a finding that the public convenience will be served by the proposed use or operation of the satellite facility. The supervisor shall not grant approval for the use or operation of satellite facilities by banks, trust companies, mutual savings banks, savings and loan associations, and credit unions which do not have offices in this state unless like facilities located in the jurisdiction in which these institutions are organized are made available on a reciprocal basis for the benefit of financial institutions which have offices in this state.

The supervisor's approval of the use or operation of satellite facilities located within the state of Washington by banks, trust companies, mutual savings banks, savings and loan associations, and credit unions which do not have offices in this state is not approval or authority to conduct or transact any other business in this state by these banks, trust companies, mutual savings banks, savings and loan associations, and credit unions which is not otherwise permitted by the laws of this state.

Passed the Senate February 24, 1981.

Passed the House April 15, 1981.

Approved by the Governor May 8, 1981.

Filed in Office of Secretary of State May 8, 1981.

CHAPTER 84

[Substitute Senate Bill No. 3205]

SAVINGS AND LOAN ASSOCIATIONS—GUARANTY STOCK—CONTINGENT FUND

AN ACT Relating to savings and loan associations; amending section 4, chapter 122, Laws of 1955 as last amended by section 7, chapter 107, Laws of 1969 and RCW 33.48.030; amending section 5, chapter 122, Laws of 1955 as amended by section 14, chapter 113, Laws of 1979 and RCW 33.48.040; amending section 51, chapter 235, Laws of 1945 as last amended by section 4, chapter 246, Laws of 1963 and RCW 33.12.150; and adding a new section to chapter 33.48 RCW.

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

Section 1. Section 4, chapter 122, Laws of 1955 as last amended by section 7, chapter 107, Laws of 1969 and RCW 33.48.030 are each amended to read as follows:

Associations chartered under this chapter 33.48 RCW shall be known as guaranty stock savings and loan associations, and shall have a permanent nonwithdrawable stock (~~(of the par value of not less than one dollar per share))~~ which may be issued with or without par value but with a statement of value of nonpar stock in accordance with Title 23A RCW. The minimum amount of such stock shall be twenty-five thousand dollars in the case of associations outside of incorporated cities, or in cities of less than twenty-five thousand population. Associations located in cities of greater population shall have as a minimum, fifty thousand dollars of such stock. The board of such association is authorized and directed to issue and maintain the guaranty stock in the following percentages: Three percent upon the first five million dollars; two percent upon the next three million dollars, and one percent upon all additional withdrawable savings: PROVIDED, That associations whose savings are insured by the Federal Savings and Loan Insurance Corporation shall not be required to maintain stock in excess of three hundred thousand dollars. A guaranty stock association may issue preferred or special classes of shares as provided in chapter 23A.08 RCW.

Sec. 2. Section 5, chapter 122, Laws of 1955 as amended by section 14, chapter 113, Laws of 1979 and RCW 33.48.040 are each amended to read as follows:

(1) The guaranty stock provided for in RCW 33.48.030 shall be paid for in cash (~~(at par)~~), except as provided in subsection (3) of this section, and shall not be eligible as security for loans from the association, nor withdrawable except upon liquidation or dissolution.

(2) No dividends shall be declared on guaranty stock until the association has met the net worth and federal insurance (~~(reserve)~~) requirements of the federal savings and loan insurance corporation. Subject to the provisions of this chapter, guaranty stock shall be entitled to such rate of dividend, if earned, as fixed by the board. Stock dividends may be declared and issued by the board at any time, payable from otherwise unallocated surplus and undivided profits.

(3) With the consent of the supervisor, guaranty stock may be issued for a consideration other than cash in connection with mergers, consolidations, or transfers.

Sec. 3. Section 51, chapter 235, Laws of 1945 as last amended by section 4, chapter 246, Laws of 1963 and RCW 33.12.150 are each amended to read as follows:

The contingent fund shall constitute a reserve for the absorption of losses of an association.

Members shall not have, individually or collectively, any right or claim to the contingent fund except upon dissolution of the association.

Every association, as of June 30th and December 31st in each year, shall determine its net semiannual earnings, and shall credit to the contingent fund an amount equal to two percent of the amount by which the aggregate of loans and real estate contracts outstanding at the end of said six months' period exceeds the amount of such loans and real estate contracts outstanding at the beginning of the period or one-twentieth of one percent of the total savings accounts in the association at the end of the period, whichever is the greater, such sum so credited from earnings into the contingent fund to be in no event less than five percent of the net earnings of the association for such period. The amount so credited need not exceed fifteen percent of the net earnings during the first three years after an association opens for business. The amount required herein shall not be greater than the ~~((amount of)) insurance ((reserve allocations required by))~~ requirements of the Federal Savings and Loan Insurance Corporation for associations whose savings accounts are insured by that corporation.

NEW SECTION. Sec. 4. There is added to chapter 33.48 RCW a new section to read as follows:

Except to the extent provided otherwise in Title 33 RCW, guaranty stock associations shall be subject to those provisions in chapter 23A.08 RCW, as now or hereafter amended, relating to issuance, sale, and repurchase of shares.

Passed the Senate March 9, 1981.

Passed the House April 15, 1981.

Approved by the Governor May 8, 1981.

Filed in Office of Secretary of State May 8, 1981.

CHAPTER 85

[Substitute Senate Bill No. 3320]

MUTUAL SAVINGS BANKS—CONVERSION TO CAPITAL STOCK SAVINGS BANKS

AN ACT Relating to mutual savings banks; amending section 32.04.010, chapter 13, Laws of 1955 and RCW 32.04.010; amending section 32.04.020, chapter 13, Laws of 1955 and RCW 32.04.020; adding a new chapter to Title 32 RCW; and prescribing penalties.

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

NEW SECTION. Section 1. This chapter shall exclusively govern the conversion of mutual savings banks to capital stock savings banks. No mutual savings bank may convert to the capital stock form of organization without the prior written approval of the supervisor pursuant to this chapter, except that the supervisor may waive requirements of this chapter in appropriate cases.

NEW SECTION. Sec. 2. The supervisor may prescribe under this chapter such forms as the supervisor deems appropriate for use by a mutual