

NEW SECTION. Sec. 32. Sections 18 through 31 of this act shall constitute a new chapter in Title 29 RCW.

NEW SECTION. Sec. 33. If any provision of this 1982 act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 34. 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.

Passed the House January 19, 1982.

Passed the Senate February 10, 1982.

Approved by the Governor February 17, 1982.

Filed in Office of Secretary of State February 17, 1982.

## CHAPTER 3

[Substitute House Bill No. 833]

### SAVINGS AND LOAN ASSOCIATIONS

AN ACT Relating to savings and loan associations; amending section 119-A, chapter 235, Laws of 1945 and RCW 33.04.010; amending section 95, chapter 235, Laws of 1945 as last amended by section 1, chapter 113, Laws of 1979 and RCW 33.04.020; amending section 20, chapter 130, Laws of 1973 and RCW 33.04.025; amending section 3, chapter 245, Laws of 1977 ex. sess. and RCW 33.04.110; amending section 3, chapter 235, Laws of 1945 and RCW 33.08.020; amending section 4, chapter 235, Laws of 1945 as amended by section 1, chapter 20, Laws of 1949 and RCW 33.08.030; amending section 5, chapter 235, Laws of 1945 and RCW 33.08.040; amending section 6, chapter 235, Laws of 1945 as amended by section 30, chapter 302, Laws of 1981 and RCW 33.08.050; amending section 7, chapter 235, Laws of 1945 as last amended by section 1, chapter 107, Laws of 1969 and RCW 33.08.060; amending section 9, chapter 235, Laws of 1945 as amended by section 31, chapter 302, Laws of 1981 and RCW 33.08.080; amending section 10, chapter 235, Laws of 1945 as last amended by section 32, chapter 302, Laws of 1981 and RCW 33.08.090; amending section 7, chapter 280, Laws of 1959 as last amended by section 1, chapter 98, Laws of 1974 ex. sess. and RCW 33.08.110; amending section 29, chapter 235, Laws of 1945 as last amended by section 3, chapter 107, Laws of 1969 and RCW 33.12.010; amending section 1, chapter 87, Laws of 1981 and RCW 33.12.012; amending section 2, chapter 87, Laws of 1981 and RCW 33.12.014; amending section 35, chapter 235, Laws of 1945 as last amended by section 3, chapter 113, Laws of 1979 and RCW 33.12.060; amending section 13, chapter 235, Laws of 1945 and RCW 33.12.140; amending section 51, chapter 235, Laws of 1945 as last amended by section 3, chapter 84, Laws of 1981 and RCW 33.12.150; amending section 15, chapter 235, Laws of 1945 as amended by section 5, chapter 246, Laws of 1963 and RCW 33.16.020; amending section 16, chapter 235, Laws of 1945 and RCW 33.16.030; amending section 17, chapter 235, Laws of 1945 as amended by section 21, chapter 130, Laws of 1973 and RCW 33.16.040; amending section 19, chapter 235, Laws of 1945 and RCW 33.16.050; amending section 20, chapter 235, Laws of 1945 and RCW 33.16.060; amending section 22, chapter 235, Laws of 1945 and RCW 33.16.080; amending section 23, chapter 235, Laws of 1945 and RCW 33.16.090; amending section 27, chapter 235, Laws of 1945 as amended by section 23, chapter 130, Laws of 1973 and RCW 33.16.120; amending section 38, chapter 235,

Laws of 1945 and RCW 33.16.150; amending section 12, chapter 235, Laws of 1945 as last amended by section 4, chapter 107, Laws of 1969 and RCW 33.20.010; amending section 41, chapter 235, Laws of 1945 as amended by section 30, chapter 192, Laws of 1981 and RCW 33.20.040; amending section 44, chapter 235, Laws of 1945 and RCW 33.20.060; amending section 54, chapter 235, Laws of 1945 as last amended by section 5, chapter 113, Laws of 1979 and RCW 33.20.150; amending section 9, chapter 107, Laws of 1969 and RCW 33.20.180; amending section 10, chapter 107, Laws of 1969 as amended by section 1, chapter 54, Laws of 1980 and RCW 33.20.190; amending section 28, chapter 130, Laws of 1973 and RCW 33.24.005; amending section 58, chapter 235, Laws of 1945 as last amended by section 6, chapter 113, Laws of 1979 and RCW 33.24.010; amending section 67, chapter 235, Laws of 1945 as last amended by section 7, chapter 113, Laws of 1979 and RCW 33.24.100; amending section 73, chapter 235, Laws of 1945 and RCW 33.24.160; amending section 27, chapter 130, Laws of 1973 as amended by section 12, chapter 113, Laws of 1979 and RCW 33.24.295; amending section 1, chapter 130, Laws of 1973 and RCW 33.24.350; amending section 2, chapter 130, Laws of 1973 as amended by section 13, chapter 113, Laws of 1979 and RCW 33.24.360; amending section 3, chapter 130, Laws of 1973 and RCW 33.24.370; amending section 77, chapter 235, Laws of 1945 as last amended by section 1, chapter 22, Laws of 1974 ex. sess. and RCW 33.28.020; amending section 79, chapter 235, Laws of 1945 as last amended by section 4, chapter 134, Laws of 1972 ex. sess. and RCW 33.28.040; amending section 81, chapter 235, Laws of 1945 and RCW 33.32.020; amending section 82, chapter 235, Laws of 1945 and RCW 33.32.030; amending section 86, chapter 235, Laws of 1945 and RCW 33.32.070; amending section 89, chapter 235, Laws of 1945 and RCW 33.36.030; amending section 90, chapter 235, Laws of 1945 and RCW 33.36.040; amending section 92, chapter 235, Laws of 1945 and RCW 33.36.050; amending section 91, chapter 235, Laws of 1945 and RCW 33.36.060; amending section 103, chapter 235, Laws of 1945 and RCW 33.40.020; amending section 105, chapter 235, Laws of 1945 and RCW 33.40.040; amending section 106, chapter 235, Laws of 1945 as amended by section 29, chapter 130, Laws of 1973 and RCW 33.40.050; amending section 108, chapter 235, Laws of 1945 as amended by section 10, chapter 71, Laws of 1953 and RCW 33.40.070; amending section 1, chapter 105, Laws of 1951 and RCW 33.40.075; amending section 112, chapter 235, Laws of 1945 as amended by section 11, chapter 71, Laws of 1953 and RCW 33.40.110; amending section 113, chapter 235, Laws of 1945 as amended by section 86, chapter 81, Laws of 1971 and RCW 33.40.120; amending section 100, chapter 235, Laws of 1945 and RCW 33.40.130; amending section 116, chapter 235, Laws of 1945 as amended by section 10, chapter 20, Laws of 1949 and RCW 33.43.010; amending section 1, chapter 154, Laws of 1917 as last amended by section 34, chapter 302, Laws of 1981 and RCW 33.44.020; amending section 2, chapter 154, Laws of 1917 as amended by section 2, chapter 177, Laws of 1927 and RCW 33.44.080; amending section 3, chapter 154, Laws of 1917 as amended by section 3, chapter 177, Laws of 1927 and RCW 33.44.090; amending section 1, chapter 83, Laws of 1975 1st ex. sess. and RCW 33.46.010; amending section 2, chapter 83, Laws of 1975 1st ex. sess. and RCW 33.46.020; amending section 3, chapter 83, Laws of 1975 1st ex. sess. and RCW 33.46.030; amending section 4, chapter 83, Laws of 1975 1st ex. sess. and RCW 33.46.040; amending section 5, chapter 83, Laws of 1975 1st ex. sess. as amended by section 35, chapter 302, Laws of 1981 and RCW 33.46.050; amending section 6, chapter 83, Laws of 1975 1st ex. sess. as amended by section 36, chapter 302, Laws of 1981 and RCW 33.46.060; amending section 7, chapter 83, Laws of 1975 1st ex. sess. and RCW 33.46.070; amending section 8, chapter 83, Laws of 1975 1st ex. sess. and RCW 33.46.080; amending section 10, chapter 83, Laws of 1975 1st ex. sess. and RCW 33.46.100; amending section 11, chapter 83, Laws of 1975 1st ex. sess. and RCW 33.46.110; amending section 4, chapter 84, Laws of 1981 and RCW 33.48.025; amending section 4, chapter 122, Laws of 1955 as last amended by section 1, chapter 84, Laws of 1981 and RCW 33.48.030; amending section 5, chapter 122, Laws of 1955 as last amended by section 2, chapter 84, Laws of 1981 and RCW 33.48.040; amending section 9, chapter 122, Laws of 1955 as last amended by section 8, chapter 107, Laws of 1969 and RCW 33.48.080; amending section 10, chapter 122, Laws of 1955 and RCW 33.48.090; amending section 11, chapter 122, Laws of 1955 and RCW 33.48.100; amending section 12, chapter 122, Laws of 1955 and RCW 33.48.110; amending section 13, chapter 122, Laws of 1955 and RCW 33.48.120; amending section 15, chapter 122, Laws of 1955

and RCW 33.48.140; amending section 8, chapter 130, Laws of 1973 and RCW 33.48-.170; amending section 5, chapter 130, Laws of 1973 and RCW 33.48.180; amending section 10, chapter 130, Laws of 1973 and RCW 33.48.200; amending section 11, chapter 130, Laws of 1973 and RCW 33.48.210; amending section 12, chapter 130, Laws of 1973 and RCW 33.48.220; amending section 13, chapter 130, Laws of 1973 and RCW 33.48-.230; amending section 14, chapter 130, Laws of 1973 and RCW 33.48.240; amending section 15, chapter 130, Laws of 1973 and RCW 33.48.250; amending section 16, chapter 130, Laws of 1973 and RCW 33.48.260; amending section 17, chapter 130, Laws of 1973 and RCW 33.48.270; amending section 18, chapter 130, Laws of 1973 and RCW 33.48-.280; amending section 19, chapter 130, Laws of 1973 and RCW 33.48.290; amending section 43.19.100, chapter 8, Laws of 1965 as amended by section 2, chapter 185, Laws of 1977 ex. sess. and RCW 43.19.100; adding new sections to chapter 33.04 RCW; adding a new section to chapter 33.08 RCW; adding a new section to chapter 33.20 RCW; adding new sections to chapter 33.24 RCW; adding new sections to chapter 33.44 RCW; adding a new section to chapter 33.46 RCW; adding a new section to chapter 33.48 RCW; creating a new section; repealing section 97, chapter 235, Laws of 1945 and RCW 33.04.040; repealing section 101, chapter 235, Laws of 1945 and RCW 33.04.050; repealing section 8, chapter 280, Laws of 1959 and RCW 33.08.120; repealing section 31, chapter 235, Laws of 1945 and RCW 33.12.030; repealing section 33, chapter 235, Laws of 1945 and RCW 33.12.040; repealing section 34, chapter 235, Laws of 1945, section 1, chapter 222, Laws of 1961 and RCW 33.12.050; repealing section 36, chapter 235, Laws of 1945 and RCW 33.12.070; repealing section 37, chapter 235, Laws of 1945 and RCW 33.12.080; repealing section 49, chapter 235, Laws of 1945, section 3, chapter 71, Laws of 1953, section 3, chapter 246, Laws of 1963, section 2, chapter 49, Laws of 1967 and RCW 33-.12.090; repealing section 55, chapter 235, Laws of 1945 and RCW 33.12.110; repealing section 56, chapter 235, Laws of 1945 and RCW 33.12.120; repealing section 57, chapter 235, Laws of 1945, section 5, chapter 20, Laws of 1949, section 2, chapter 280, Laws of 1959, section 3, chapter 222, Laws of 1961, section 3, chapter 49, Laws of 1967 and RCW 33.12.130; repealing section 52, chapter 235, Laws of 1945, section 4, chapter 257, Laws of 1947, section 4, chapter 20, Laws of 1949 and RCW 33.12.160; repealing section 21, chapter 235, Laws of 1945 and RCW 33.16.070; repealing section 24, chapter 235, Laws of 1945 and RCW 33.16.100; repealing section 25, chapter 235, Laws of 1945, section 25, chapter 130, Laws of 1973, section 2, chapter 165, Laws of 1975 1st ex. sess. and RCW 33.16.110; repealing section 18, chapter 235, Laws of 1945 and RCW 33.16.140; repealing section 26, chapter 235, Laws of 1945, section 2, chapter 257, Laws of 1947 and RCW 33.16.160; repealing section 32, chapter 235, Laws of 1945 and RCW 33.20.020; repealing section 39, chapter 235, Laws of 1945 and RCW 33.20.090; repealing section 42, chapter 235, Laws of 1945 and RCW 33.20.100; repealing section 47, chapter 235, Laws of 1945 and RCW 33.20.110; repealing section 48, chapter 235, Laws of 1945 and RCW 33.20.120; repealing section 3, chapter 126, Laws of 1955 and RCW 33.24.095; repealing section 68, chapter 235, Laws of 1945, section 7, chapter 257, Laws of 1947 and RCW 33.24.110; repealing section 69, chapter 235, Laws of 1945, section 7, chapter 20, Laws of 1949, section 4, chapter 280, Laws of 1959, section 26, chapter 130, Laws of 1973, section 8, chapter 113, Laws of 1979 and RCW 33.24.120; repealing section 70, chapter 235, Laws of 1945, section 4, chapter 49, Laws of 1967 and RCW 33.24.130; repealing section 16, chapter 113, Laws of 1979 and RCW 33.24.135; repealing section 71, chapter 235, Laws of 1945, section 9, chapter 71, Laws of 1953 and RCW 33.24.140; repealing section 15, chapter 113, Laws of 1979 and RCW 33.24.145; repealing section 72, chapter 235, Laws of 1945, section 5, chapter 280, Laws of 1959, section 5, chapter 49, Laws of 1967 and RCW 33.24.150; repealing section 74, chapter 235, Laws of 1945, section 8, chapter 20, Laws of 1949, section 6, chapter 280, Laws of 1959, section 9, chapter 113, Laws of 1979 and RCW 33.24.170; repealing section 75, chapter 235, Laws of 1945 and RCW 33.24.180; repealing section 7, chapter 49, Laws of 1967, section 24, chapter 130, Laws of 1973, section 10, chapter 113, Laws of 1979 and RCW 33.24.230; repealing section 8, chapter 49, Laws of 1967, section 11, chapter 113, Laws of 1979 and RCW 33.24.240; repealing section 11, chapter 107, Laws of 1969 and RCW 33.24.250; repealing section 12, chapter 107, Laws of 1969 and RCW 33.24.260; repealing section 14, chapter 107, Laws of 1969, section 31, chapter 130, Laws of 1973, section 3, chapter 165, Laws of 1975 1st ex. sess. and RCW 33.24.280; repealing section 15, chapter 107, Laws of 1969, section 1, chapter 42, Laws of 1972 ex. sess. and RCW 33.24.290; repealing section 78, chapter 235, Laws of 1945 and RCW 33.28.030; repealing section 80, chapter

235, Laws of 1945, section 8, chapter 246, Laws of 1963 and RCW 33.32.010; repealing section 83, chapter 235, Laws of 1945, section 5, chapter 222, Laws of 1961 and RCW 33.32.040; repealing section 110, chapter 235, Laws of 1945 and RCW 33.40.090; repealing section 111, chapter 235, Laws of 1945 and RCW 33.40.100; repealing section 4, chapter 154, Laws of 1917 and RCW 33.44.010; repealing section 2, chapter 122, Laws of 1955 and RCW 33.48.010; repealing section 3, chapter 122, Laws of 1955 and RCW 33.48.020; repealing section 6, chapter 122, Laws of 1955 and RCW 33.48.050; repealing section 7, chapter 122, Laws of 1955 and RCW 33.48.060; repealing section 8, chapter 122, Laws of 1955 and RCW 33.48.070; and declaring an emergency.

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

**NEW SECTION.** Section 1. There is added to chapter 33.04 RCW a new section to read as follows:

The legislature finds that the statutory law relating to savings and loan associations has not been generally updated or modernized since 1945; and, as a result, many changes to Title 33 RCW should now be made with respect to the powers and duties of the supervisor; to the provisions relating to the organization, management and conversion of savings and loan associations; and to the powers and restrictions placed upon savings and loan associations to make investments. While it is the intent of the legislature to grant permissive investment powers to state-chartered savings and loan associations, it does not intend these associations to abandon the residential financing market in Washington. It, therefore, finds that the powers granted in this act are for the purpose of updating and modernizing the law relating to savings and loan associations, thereby creating a more secure and responsive financial environment in which the residential home buyer will continue to obtain financing.

**NEW SECTION.** Sec. 2. There is added to chapter 33.04 RCW a new section to read as follows:

Unless the context requires otherwise, the definitions in this section apply throughout this title.

(1) "Branch" means an established manned place of business or a manned mobile facility or other manned facility of an association, other than the principal office, at which deposits may be taken.

(2) "Depositor" means a person who deposits money in an association.

(3) "Domestic association" means a savings and loan association which is incorporated under the laws of this state.

(4) "Federal association" means a savings and loan association which is incorporated under federal law.

(5) "Foreign association" means a savings and loan association organized under the laws of another state.

(6) (a) "Member," in a mutual association, means a depositor or any other person who is a member of a class of persons granted membership rights by the articles of incorporation or bylaws.

(b) "Member," in a stock association, means a stockholder or any other person who is a member of a class of persons granted membership rights by the articles of incorporation or bylaws.

(7) "Mutual association" means an association formed without authority to issue stock.

(8) "Savings and loan association," "savings association" or "association," unless otherwise restricted, means a domestic or foreign association and includes a stock or a mutual association.

(9) "Stock association" means an association formed with the authority to issue stock.

Sec. 3. Section 119-A, chapter 235, Laws of 1945 and RCW 33.04.010 are each amended to read as follows:

Whenever, in this title or any prior acts relating to savings and loan((s)) associations, the term "Supervisor" or "Supervisor of Savings and Loans" appears, it is understood that the director of the department of ~~((finance, budget and business))~~ general administration may act for and in lieu of the ~~((said))~~ supervisor of savings and loans, if ~~((and when))~~ there is no supervisor of savings and loan~~((s))~~ associations duly qualified to act.

Sec. 4. Section 95, chapter 235, Laws of 1945 as last amended by section 1, chapter 113, Laws of 1979 and RCW 33.04.020 are each amended to read as follows:

The supervisor:

(1) Shall be charged with the administration and enforcement of this title and shall have and exercise all powers necessary or convenient thereunto;

(2) Shall issue to each association doing business hereunder, when it shall have paid its annual license fee and be duly qualified otherwise, a certificate of authority authorizing it to transact business;

(3) Shall require of each association an annual statement and such other reports and statements as ~~((he may))~~ the supervisor deems desirable, on forms to be furnished by ~~((him))~~ the supervisor;

(4) Shall require each association to conduct its business in compliance with the provisions of this title;

(5) Shall visit and examine into the affairs of every association, at least once in each biennium; may appraise and revalue its investments and securities; and shall have full access to all the books, records, papers, securities, correspondence, bank accounts, and other papers of such association for such purposes. The supervisor may accept in lieu of an examination the report of the examining division of the federal home loan bank board, or the report of the savings and loan department of another state, which has made and submitted a report of the condition of the affairs of the association, and if approved, the report shall have the same force and effect as though the examination were made by the supervisor or one of his appointees;

(6) May accept or exchange any information or reports with the examining division of the federal ~~((savings and loan insurance corporation))~~ home loan bank board or other like agency which may insure the accounts in an association or to which an association may belong or with the savings

and loan department of another state which has authority to examine any association doing business in this state;

(7) May visit and examine into the affairs of any nonpublicly-held corporation ((of) in which the ((capital stock is controlled by an)) association has a material investment and any publicly-held corporation the capital stock of which is controlled by the association; may appraise and revalue its investments and securities; and shall have full access to all the books, records, papers, securities, correspondence, bank accounts, and other papers of such corporation for such purposes;

(8) ~~((shall have power to))~~ May, in the supervisor's discretion, administer oaths to and to examine any person under oath concerning the affairs of any association or nonpublicly-held corporation ((of) in which the association has a material investment and any publicly-held corporation the capital stock of which is controlled by an association and, in connection therewith, to issue subpoenas and require the attendance and testimony of any person or persons at any place within this state, and to require witnesses to produce any books, papers, documents, or other things under their control material to such examination; and

(9) Shall have ((any and all other powers incidental to the purposes of such examination and administration)) power to commence and prosecute actions and proceedings to enforce the provisions of this title, to enjoin violations thereof, and to collect sums due to the state of Washington from any association.

Sec. 5. Section 20, chapter 130, Laws of 1973 and RCW 33.04.025 are each amended to read as follows:

The supervisor shall adopt uniform rules and regulations in accordance with the administrative procedure act, chapter 34.04 RCW, to govern examinations and reports of ~~((savings and loan))~~ associations and the form in which they shall report their assets, liabilities, and reserves, charge off bad debts and otherwise keep their records and accounts, and otherwise to govern the administration of this title. He shall mail a copy of the rules and regulations to each savings and loan association at its principal place of business ~~((, and they shall be effective thirty days after the mailing thereof))~~. The person doing the mailing shall make and file his affidavit thereof in the office of the supervisor.

Sec. 6. Section 3, chapter 245, Laws of 1977 ex. sess. and RCW 33.04.110 are each amended to read as follows:

(1) Except as otherwise provided in this section, all examination reports and all information obtained by the supervisor and the supervisor's staff in conducting examinations of ((savings and loan)) associations ((is)) are confidential and privileged information and shall not be made public or otherwise disclosed to any person, firm, corporation, agency, association, governmental body, or other entity.

(2) Subsection (1) of this section notwithstanding, the supervisor may furnish in whole or in part examination reports prepared by the supervisor's office to federal agencies empowered to examine state ~~((savings and loan))~~ associations, to savings and loan supervisory agencies of other states which have authority to examine associations doing business in this state, to the attorney general in his role as legal advisor to the supervisor, to the examined ((savings and loan)) association as provided in subsection (4) of this section, and to officials empowered to investigate criminal charges ((subject to legal process, valid search warrant, or subpoena)). If the supervisor furnishes any examination report to officials empowered to investigate criminal charges, the supervisor may only furnish that part of the report which is necessary and pertinent to the investigation, and the supervisor may do this only after notifying the affected savings and loan association and any customer of the savings and loan association who is named in that part of the report of the order to furnish the part of the examination report unless the officials requesting the report first obtain a waiver of the notice requirement from a court of competent jurisdiction for good cause. The supervisor may also furnish in whole or in part examination reports concerning any association in danger of insolvency to the directors or officers of a potential acquiring party when, in the supervisor's opinion, it is necessary to do so in order to protect the interests of members, depositors, or borrowers of the examined association.

(3) All examination reports furnished under subsection (2) of this section shall remain the property of the division of savings and loan associations and, except as provided in subsection (4) of this section, no person, agency, or authority to whom reports are furnished or any officer, director, or employee thereof shall disclose or make public any of the reports or any information contained therein except in published statistical material that does not disclose the affairs of any individual or corporation: PROVIDED, That nothing herein shall prevent the use in a criminal prosecution of reports furnished under subsection (2) of this section.

(4) The examination report made by the division of savings and loan associations is designed for use in the supervision of the ~~((savings and loan))~~ association, and the supervisor may furnish a copy of the report to the savings and loan association examined. The report shall remain the property of the supervisor and will be furnished to the ~~((savings and loan))~~ association solely for its confidential use. ~~((Under no circumstances shall))~~ Neither the ((savings and loan)) association ((or)) nor any of its directors, officers, or employees may disclose or make public in any manner the report or any portion thereof without permission of the board of directors of the examined association. The permission shall be entered in the minutes of the board.

(5) Examination reports and information obtained by the supervisor and the supervisor's staff in conducting examinations shall not be subject to public disclosure under chapter 42.17 RCW.

(6) In any civil action in which the reports are sought to be discovered or used as evidence, any party may, upon notice to the supervisor, petition the court for an in camera review of the report. The court may permit discovery and introduction of only those portions of the report which are relevant and otherwise unobtainable by the requesting party. This subsection shall not apply to an action brought or defended by the supervisor.

(7) This section shall not apply to investigation reports prepared by the supervisor and the supervisor's staff concerning an application for a new ~~((savings and loan))~~ association or an application for a branch of an ~~((savings and loan))~~ association ~~((: PROVIDED, That))~~. The supervisor may adopt rules making confidential portions of ~~((the))~~ such reports if in the supervisor's opinion the public disclosure of the portions of the report would impair the ability to obtain the information which the supervisor considers necessary to fully evaluate the application.

(8) Every person who intentionally violates any provision of this section ~~((shall forfeit the person's office or employment and be))~~ is guilty of a gross misdemeanor.

NEW SECTION. Sec. 7. There is added to chapter 33.04 RCW a new section to read as follows:

(1) The supervisor may issue and serve upon an association a notice of charges if in the opinion of the supervisor the association:

(a) Is engaging or has engaged in an unsafe or unsound practice in conducting the business of the association;

(b) Is violating or has violated a material provision of any law, rule, or any condition imposed in writing by the supervisor in connection with the granting of any application or other request by the association or any written agreement made with the supervisor; or

(c) Is about to do the acts prohibited in (a) or (b) of this subsection if the opinion that the threat exists is based upon reasonable cause.

(2) The notice shall contain a statement of the facts constituting the alleged violation or violations or the practice or practices and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist should issue against the association. The hearing shall be set not earlier than ten days nor later than thirty days after service of the notice unless a later date is set by the supervisor at the request of the association.

Unless the association appears at the hearing by a duly authorized representative, it shall be deemed to have consented to the issuance of the cease and desist order. In the event of this consent or if upon the record made at the hearing the supervisor finds that any violation or practice specified in the notice of charges has been established, the supervisor may issue and serve upon the association an order to cease and desist from the violation or practice. The order may require the association and its directors, officers, employees, and agents to cease and desist from the violation or practice and



may require the association to take affirmative action to correct the conditions resulting from the violation or practice.

(3) A cease and desist order shall become effective at the expiration of ten days after the service of the order upon the association concerned except that a cease and desist order issued upon consent shall become effective at the time specified in the order and shall remain effective as provided therein unless it is stayed, modified, terminated, or set aside by action of the supervisor or a reviewing court.

NEW SECTION. Sec. 8. There is added to chapter 33.04 RCW a new section to read as follows:

Whenever the supervisor determines that the acts specified in section 7 of this act or their continuation is likely to cause insolvency or substantial dissipation of assets or earnings of the association or to otherwise seriously prejudice the interests of its depositors, the supervisor may also issue a temporary order requiring the association to cease and desist from the violation or practice. The order shall become effective upon service on the association and shall remain effective unless set aside, limited, or suspended by a court in proceedings under section 9 of this act pending the completion of the administrative proceedings under the notice and until such time as the supervisor shall dismiss the charges specified in the notice or until the effective date of a cease and desist order issued against the association under section 7 of this act.

NEW SECTION. Sec. 9. There is added to chapter 33.04 RCW a new section to read as follows:

Within ten days after an association has been served with a temporary cease and desist order, the association may apply to the superior court in the county of its principal place of business for an injunction setting aside, limiting, or suspending the order pending the completion of the administrative proceedings pursuant to the notice served under section 8 of this act.

The superior court shall have jurisdiction to issue the injunction.

NEW SECTION. Sec. 10. There is added to chapter 33.04 RCW a new section to read as follows:

In the case of a violation or threatened violation of a temporary cease and desist order issued under section 8 of this act, the supervisor may apply to the superior court of the county of the principal place of business of the association for an injunction to enforce the order, and the court shall issue an injunction if it determines that there has been a violation or threatened violation.

NEW SECTION. Sec. 11. There is added to chapter 33.04 RCW a new section to read as follows:

(1) Any administrative hearing provided in section 7 of this act may be held at such place as is designated by the supervisor and shall be conducted in accordance with chapter 34.04 RCW. The hearing shall be private unless

the supervisor determines that a public hearing is necessary to protect the public interest after fully considering the views of the party afforded the hearing.

Within sixty days after the hearing, the supervisor shall render a decision which shall include findings of fact upon which the decision is based and the supervisor shall issue and serve upon each party to the proceeding an order or orders consistent with section 7 of this act.

Unless a petition for review is timely filed in the superior court of the county of the principal place of business of the affected association under subsection (2) of this section and until the record in the proceeding has been filed as therein provided, the supervisor may at any time modify, terminate, or set aside any order upon such notice and in such manner as the supervisor deems proper. Upon filing the record, the supervisor may modify, terminate, or set aside any order only with permission of the court.

The judicial review provided in this section for an order shall be exclusive.

(2) Any party to the proceeding or any person required by an order issued under section 7, 8, or 10 of this act to refrain from any of the violations or practices stated therein may obtain a review of any order served under subsection (1) of this section other than one issued upon consent by filing in the superior court of the county of the principal place of business of the affected association within ten days after the date of service of the order a written petition praying that the order of the supervisor be modified, terminated, or set aside. A copy of the petition shall be immediately served upon the supervisor and the supervisor shall then file in the court the record of the proceeding. The court shall have jurisdiction upon the filing of the petition, which jurisdiction shall become exclusive upon the filing of the record to affirm, modify, terminate, or set aside in whole or in part the order of the supervisor except that the supervisor may modify, terminate, or set aside an order with the permission of the court. The judgment and decree of the court shall be final, except that it is subject to appellate review under the rules of court.

(3) The commencement of proceedings for judicial review under subsection (2) of this section shall not operate as a stay of any order issued by the supervisor unless specifically ordered by the court.

(4) Service of any notice or order required to be served under section 7 or 8 of this act shall be accomplished in the same manner as required for the service of process in civil actions in superior courts of this state.

**NEW SECTION.** Sec. 12. There is added to chapter 33.04 RCW a new section to read as follows:

The supervisor may apply to the superior court of the county of the principal place of business of the association affected for the enforcement of any effective and outstanding order issued under section 7, 8, or 10 of this act, and the court shall have jurisdiction to order compliance therewith.

No court shall have jurisdiction to affect by injunction or otherwise the issuance or enforcement of any order or to review, modify, suspend, terminate, or set aside any order except as provided in sections 9 and 11 of this act.

Sec. 13. Section 3, chapter 235, Laws of 1945 and RCW 33.08.020 are each amended to read as follows:

~~((Seven or more persons, citizens of the United States and resident in this state, at least two-thirds of whom shall be residents of the county in which the association is to have its principal place of business, may form a savings and loan association under this title.))~~ Any individuals desiring to transact a business of an association may, by complying with this chapter, become a body corporate for that purpose.

Sec. 14. Section 4, chapter 235, Laws of 1945 as amended by section 1, chapter 20, Laws of 1949 and RCW 33.08.030 are each amended to read as follows:

~~((Such persons shall subscribe and acknowledge articles of incorporation in quadruplicate, which articles))~~ A domestic association shall be incorporated either as a stock or a mutual association. The articles of incorporation shall specifically state:

(1) The name of the association, which shall include the words "Savings Association" and may include the words "and Loan";

(2) The city or town and county in which it is to have its principal place of business;

(3) The name, occupation, and place of residence of ~~((each))~~ all incorporators, the majority of whom shall be Washington residents;

(4) Its purposes;

(5) Its duration, which may be for a stated number of years or perpetual;

(6) The amount of paid-in savings with which the association will commence business;

(7) The names, occupations, and addresses of the first directors ~~((not less than seven), with their respective occupations and post office addresses.))~~;

(8) Whether the association is organized as a stock or mutual association and who has membership rights and the relative rights of different classes of members of the association.

The articles of incorporation may contain any other provisions consistent with the laws of this state and the provisions of this title pertaining to the association's business or the conduct of its affairs.

Sec. 15. Section 5, chapter 235, Laws of 1945 and RCW 33.08.040 are each amended to read as follows:

The incorporators shall prepare~~((, in duplicate,))~~ bylaws for the government of the association, which shall ~~((contain provisions))~~ include:

(1) ~~((Naming))~~ The offices of the association and the respective duties ~~((thereto))~~ assigned to them;

(2) ~~((Making any desired regulations))~~ Policies and procedures for the conduct of the business of the association;

(3) ~~((Pertaining to))~~ Any other matters deemed necessary or expedient.

Such bylaws must conform in all respects to the provisions of this title and the laws of this state.

Sec. 16. Section 6, chapter 235, Laws of 1945 as amended by section 30, chapter 302, Laws of 1981 and RCW 33.08.050 are each amended to read as follows:

The incorporators shall deliver to the supervisor ~~((of savings and loan associations the))~~ triplicate originals of the articles of incorporation and ~~((the))~~ duplicate copies of its proposed bylaws.

NEW SECTION. Sec. 17. There is added to chapter 33.08 RCW a new section to read as follows:

When the incorporators of a domestic association deliver the articles of incorporation and bylaws to the supervisor, the incorporators shall submit an application for a certificate of incorporation, signed and verified by the incorporators, together with the filing fee. The application shall set forth:

(1) The names and addresses of the incorporators and proposed directors and officers of the association;

(2) A statement of the character, financial responsibility, experience, and fitness of the directors and officers to engage in the association business;

(3) Statements of estimated receipts, expenditures, earnings, and financial condition of the association for the first two years or such longer period as the supervisor may require;

(4) A showing that the association will have a reasonable chance to succeed in the market area in which it proposes to operate;

(5) A showing that the public convenience and advantage will be promoted by the formation of the proposed association; and

(6) Any other matters the supervisor may require.

Sec. 18. Section 7, chapter 235, Laws of 1945 as last amended by section 1, chapter 107, Laws of 1969 and RCW 33.08.060 are each amended to read as follows:

Upon receipt of ~~((such))~~ the articles of incorporation and bylaws, the supervisor shall proceed to determine, from all sources of information and by such investigation as he may deem necessary, whether:

(1) The proposed articles and bylaws comply with all requirements of law~~((, and whether))~~;

(2) The incorporators and directors possess the qualifications required by this title~~((, and whether))~~;

(3) The incorporators have available for the operation of ~~((such))~~ the business at the specified location sufficient cash assets~~((, exclusive of the contingent fund, and whether))~~;

(4) The general fitness of the persons named in the articles of incorporation are such as to command confidence and warrant belief that the business of the proposed association will be honestly and efficiently conducted in accordance with the intent and purposes of this title~~((, and whether))~~;

(5) The public convenience and advantage will be promoted by allowing such association to be incorporated and engage in business in the ~~((community))~~ market area indicated~~((, and whether))~~; and

(6) The population and industry of the ~~((neighborhood and the surrounding country))~~ market area afford reasonable promise of adequate support for the proposed association.

For the purpose of this investigation and determination, the incorporators, when delivering the articles and bylaws to the supervisor, shall ~~((deliver))~~ pay to the supervisor ~~((the sum of one thousand dollars, by certified check payable to the state treasurer, to cover the expense of such investigation and determination))~~ an investigation fee, the amount of which shall be established by rule of the supervisor.

Sec. 19. Section 9, chapter 235, Laws of 1945 as amended by section 31, chapter 302, Laws of 1981 and RCW 33.08.080 are each amended to read as follows:

If the supervisor ~~((shall))~~ approves the incorporation of ~~((said))~~ the proposed ~~((corporation, he))~~ association, the supervisor shall forthwith return two copies of ~~((said))~~ the articles of incorporation and one copy of ~~((said))~~ the bylaws to the incorporators, retaining the others as a part of the files of ~~((his))~~ the supervisor's office. The incorporators, thereupon, shall file one set of ~~((said))~~ the articles with the secretary of state and retain the other set of the articles of incorporation and the bylaws as a part of its minute records, paying to the secretary of state such fees and charges as are required by law. Upon receiving an original set of ~~((such))~~ the approved articles of incorporation, duly endorsed by the supervisor as herein provided, together with the required fees, the secretary of state shall issue ~~((his))~~ the secretary of state's certificate of incorporation and deliver the same to the incorporators, whereupon the corporate existence of the association shall begin. Unless an association whose articles of incorporation and bylaws have been approved by the supervisor shall engage in business within ~~((one))~~ two years from the date of such approval, its right to engage in business shall be deemed revoked and of no effect. In the supervisor's discretion, the two-year period in which the association must commence business may be extended for a reasonable period of time, which shall not exceed one additional year.

Sec. 20. Section 10, chapter 235, Laws of 1945 as last amended by section 32, chapter 302, Laws of 1981 and RCW 33.08.090 are each amended to read as follows:

The members, at any meeting called for the purpose, may amend the articles of incorporation of the association by a majority vote of the members present, in person or in proxy. ~~((Such))~~ The amended articles shall be filed with the supervisor and be subject to the same procedure of approval, refusal, appeal, and filing with the secretary of state as provided for the original articles of incorporation. Proposed amendments of the articles of incorporation shall be submitted to the supervisor at least thirty days prior to the meeting of the members.

If the amendments include a change in the association's corporate name, the ~~((supervisor))~~ association shall give notice by mail to ~~((all savings and loan))~~ each association~~((s))~~ doing business within ~~((the))~~ this state at its principal place of business of the filing of ~~((such))~~ the amended articles. ~~((The association shall transmit a check to the supervisor for one hundred dollars when filing the amended articles to cover the expense of notification.))~~ Persons interested in protesting an amendment changing the association's corporate name may contact the supervisor in person or by writing prior to a date which shall be given in ~~((said))~~ the notice.

Sec. 21. Section 7, chapter 280, Laws of 1959 as last amended by section 1, chapter 98, Laws of 1974 ex. sess. and RCW 33.08.110 are each amended to read as follows:

An association with the written approval of the supervisor, may establish and operate branches in any ~~((county of the state))~~ place within the state.

An association desiring to establish a branch shall file a written application therefor with the supervisor, who shall approve or disapprove the application within ~~((six))~~ four months after receipt.

The supervisor's approval shall be conditioned on a finding that the resources in the ~~((neighborhood))~~ market area of the proposed location ~~((and in the surrounding country))~~ offer a reasonable promise of adequate support for ~~((their))~~ the proposed branch and that the proposed branch is not being formed for other than the legitimate ~~((objects covered by))~~ purposes under this title. A branch shall not be established or permitted if the contingent fund, loss reserves and guaranty stock are less than the aggregate paid-in capital which would be required by law as a prerequisite to the establishment and operation of an equal number of branches in like locations by a commercial bank. If the application for a branch is not approved, the association shall have the right to appeal in the same manner and within the same time as provided by RCW 33.08.070 as now or hereafter amended. The association when delivering ~~((said))~~ the application to the supervisor shall transmit to ~~((him))~~ the supervisor a check ~~((for five hundred dollars))~~ in an amount established by rule to cover the expense of the investigation. An association shall not move any office ~~((from its immediate vicinity))~~ more than two miles from its existing location without prior approval of the supervisor.

The board of directors of an association, after notice to the supervisor, may discontinue the operation of a branch. The association shall keep the supervisor informed in the matter and shall notify the supervisor of the date operation of the branch is discontinued.

Sec. 22. Section 29, chapter 235, Laws of 1945 as last amended by section 3, chapter 107, Laws of 1969 and RCW 33.12.010 are each amended to read as follows:

An association shall have the same capacity to act as possessed by natural persons(~~(, but shall have)~~). An association has authority to perform ~~((only))~~ such acts as are necessary or proper to accomplish its purposes ~~((and which are not repugnant to law))~~.

~~((Subject to the restrictions and limitations of this title, every such))~~ In addition to any other power an association may have, an association ~~((shall have))~~ has authority:

(1) To have and alter a corporate seal ~~((and to alter the same at pleasure))~~;

(2) To continue as an association for the time limited in its articles of incorporation or, if no such time limit is specified, then perpetually;

(3) To sue or be sued in its corporate name;

(4) To acquire, hold, sell, dispose of, pledge, mortgage, or encumber property, as its interests and purposes may require;

(5) To conduct business in this state and elsewhere as may be permitted by law and, to this end, to comply with any law, regulation, or other requirements incident thereto;

(6) To acquire capital in the form of ~~((savings))~~ deposits, shares, or other accounts for fixed, minimum or indefinite periods of time ~~((all of which are referred to in this section as savings accounts and all of which shall have the same priority upon liquidation))~~ as are authorized by its by-laws, and may issue such passbooks, statements, time certificates of deposit, or other evidence of ~~((savings))~~ accounts;

(7) To ~~((declare and))~~ pay ~~((dividends or))~~ interest;

(8) To charge reasonable service fees for services provided as part of its business;

~~(9)~~ (9) To borrow money and to pledge, mortgage, or hypothecate its properties and securities in connection therewith;

~~((9))~~ (10) To collect or protest promissory notes or bills of exchange owned or held as collateral by the association;

~~((10))~~ (11) To let vaults, safes, boxes, or other receptacles for the safekeeping or storage of personal property, subject to the laws and regulations applicable to and with the powers possessed by safe deposit companies; and to act as escrow holder;

~~((11))~~ (12) To act as fiscal agent for the United States of America; to purchase, own, vote, or sell stock in, or act as fiscal agent for any federal home loan bank, the federal housing administration, home owners' loan

corporation, or other state or federal agency, organized under the authority of the United States or of the state of Washington and authorized to loan to or act as fiscal agent for (~~savings and loan~~) associations or to insure savings accounts or mortgages; and in the exercise of these powers, to comply with any requirements of law or rules (~~or regulations~~) or orders promulgated by such federal or state agency and to execute any contracts and pay any charges in connection therewith;

~~((+2))~~ (13) To procure insurance of its mortgages and of its (~~sav- ings~~) accounts from any state or federal corporation or agency authorized to write such insurance and, in the exercise of these powers, to comply with any requirements of law or rules (~~or regulations~~) or orders promulgated and to execute any contracts and pay any premiums required in connection therewith;

~~((+3))~~ (14) To loan money and to sell any of its notes or other evi- dences of indebtedness, together with the collateral securing the same;

~~((+4))~~ (15) To make, adopt, and amend bylaws for the management of its property and the conduct of its business;

~~((+5))~~ (16) To deposit moneys and securities in any other association or any bank or savings bank or other like depository;

~~((+6))~~ (17) To dissolve and wind up its business;

~~((+7))~~ (18) To collect or compromise debts due to it and, in so doing, to apply to the indebtedness the (~~savings~~) accounts of the (~~member~~) debtors, and to receive, as collateral or otherwise, other securities, property or property rights of any kind or nature;

~~((+8))~~ (19) To become a member of, deal with, or make reasonable payments or contribution to any organization to the extent that such organization assists in furthering or facilitating the association's purposes, powers or community responsibilities, and to comply with any reasonable conditions of eligibility;

~~((+9))~~ (20) To sell money orders, travelers checks and similar instru- ments as agent for any organization empowered to sell such instruments through agents within this state and to receive money for transmission through a federal home loan bank;

~~((20))~~ (21) To service loans and investments for others(~~(-PROVID- ED, That the loans or investments were sold by the association))~~;

~~((21))~~ (22) To sell (~~(without recourse)~~) and to purchase mortgages or other loans (~~(authorized by Title 33 RCW as now or hereafter amended)~~), including participating interests therein;

~~((22))~~ (23) To use abbreviations, words or symbols in connection with any document of any nature and on checks, proxies, notices and other in- struments which abbreviations, words, or symbols shall have the same force and legal effect as though the respective words and phrases for which they stand were set forth in full for the purposes of all statutes of the state and all other purposes;



~~((23)) (24) ((The powers granted in this section shall not be construed as limiting or enlarging any grant of authority made elsewhere by this title, or as a limitation on the purposes for which an association may be incorporated;))~~ To conduct a trust business under rules adopted by the supervisor pursuant to chapter 34.04 RCW; and

~~((24)) (25)~~ To exercise, by and through its board of directors and duly authorized officers and agents, all such incidental powers as may be necessary to carry on the business of the association.

The powers granted in this section shall not be construed as limiting or enlarging any grant of authority made elsewhere by this title.

Sec. 23. Section 1, chapter 87, Laws of 1981 and RCW 33.12.012 are each amended to read as follows:

Notwithstanding any other provision of law, in addition to all powers, express or implied, that an association has under this title, an ~~((savings and loan))~~ association may exercise any of the powers conferred as of ~~((May 8, 1981;))~~ the effective date of this 1982 amendatory act upon a federal savings and loan association doing business in this state.

Sec. 24. Section 2, chapter 87, Laws of 1981 and RCW 33.12.014 are each amended to read as follows:

Notwithstanding any other provision of law, in addition to all powers, express or implied, that an association has under this title, the supervisor may make reasonable rules authorizing ~~((a savings and loan))~~ an association to exercise any of the powers conferred at the time of the adoption of the rules upon a federal savings and loan association doing business in this state, or may modify or reduce reserve or other requirements if an association is insured by the federal savings and loan insurance corporation, if the supervisor finds that the exercise of the power:

(1) Serves the convenience and advantage of depositors and borrowers; and

(2) Maintains the fairness of competition and parity between state-chartered savings and loan associations and federally-chartered savings and loan associations.

Sec. 25. Section 35, chapter 235, Laws of 1945 as last amended by section 3, chapter 113, Laws of 1979 and RCW 33.12.060 are each amended to read as follows:

(1) An association shall make no loan to or sell to or purchase any real property or securities from any director, officer, agent, or employee of an association or to or from any public officer or public employee whose duties have to do with the supervision, regulation, or insurance of the association or its savings accounts ~~((or mortgages))~~.

(2) The provisions of subsection (1) of this section shall not apply to:

(a) Loans secured by the pledge or assignment of the savings account of the borrowing member;

(b) Loans made to directors, officers, agents, or employees of the association upon their property which is occupied principally by such director, officer, agent, or employee as a home, the amount of such loan to be based upon the appraised value of said property as established by two independent appraisers who are not officers, agents, directors, employees, or appraisers of the association;

(c) Loans made to directors, officers, or employees of the association upon their mobile dwelling, which is occupied principally by such director, officer, or employee as a home, the amount of such loan to be based upon the appraised value of the dwelling as established by two independent appraisers who are not directors, officers, employees, or appraisers of the association(~~(, in accordance with RCW 33.24.230, as now or hereafter amended)~~);

(d) Loans made to directors, officers, or employees of the association for home or property repairs, alterations, improvements, or additions, or home furnishings or appliances, for a residence which is occupied principally by such director, officer, or employee as a home(~~(, in accordance with RCW 33.24.240 as now or hereafter amended)~~);

(e) Loans made to directors, officers, or employees of the association for the payment of expenses of vocational training or college or university education(~~(, in accordance with RCW 33.24.290, as now or hereafter amended)~~); nor to

(f) Any other loans made to directors, officers, or employees of the association ((for any nonbusiness family purpose, in accordance with RCW 33.24.295, as now or hereafter amended): PROVIDED, That the total value of the loans made or obligations acquired under authority of this section for any one director, officer, or employee shall not exceed such amount as prescribed by the supervisor under regulations adopted under the administrative procedure act, chapter 34.04 RCW. No loan may be made, credit extended, or obligation acquired unless the board of directors of the association has approved a resolution authorizing the same by a majority vote at a meeting of the board held within sixty days prior to the making or acquisition of the loan or obligation, and the vote and resolution shall be entered in the corporate minutes.

(3) A loan to or a purchase or sale to or from a partnership or corporation fifteen percent of which ((such a) is owned by any one director, officer, agent, or employee ((is an owner or stockholder to the amount of fifteen percent of the total ownership or stock;)) of the association or ((in which he and other) twenty-five percent of which is owned by any combination of directors, officers, agents, or employees of the association ((hold an ownership or stock to the amount of twenty-five percent of the total ownership or stock;)) shall be deemed a loan to or a purchase or sale to or from such director, officer, agent, or employee within the meaning of this section except

when the transaction occurred without the knowledge or against the protest of such director, officer, agent, or employee of the association.

Sec. 26. Section 13, chapter 235, Laws of 1945 and RCW 33.12.140 are each amended to read as follows:

Before any ~~((savings and loan))~~ association ~~((shall be))~~ is authorized to receive ~~((savings))~~ deposits or transact any business, its incorporators shall create an expense fund, in such amount as the supervisor may determine, from which the expense of organizing ~~((such))~~ the association and its operating expenses may be paid until such time as its earnings are sufficient to pay its operating expenses, and the incorporators shall enter into an undertaking with the supervisor to make such further contributions to the expense fund as may be necessary to pay its operating expenses until such time as it can pay them from its earnings.

Before any ~~((savings and loan))~~ mutual association ~~((shall be))~~ is authorized to receive ~~((savings))~~ deposits or transact any business, its incorporators shall create a contingent fund for the protection of its ~~((savings))~~ members against investment losses, in an amount to be determined by the supervisor.

~~((Such))~~ The contingent fund shall consist of payments in cash made by the incorporators as ~~((herein))~~ provided in this section and of all sums credited thereto from the earnings of the association as hereinafter required.

Prior to the liquidation of any mutual association ~~((such))~~ the contingent fund shall not be encroached upon in any manner except for losses and for the repayment of contributions made by the incorporators.

No repayment of ~~((such))~~ the contribution of incorporators to the contingent fund shall be made until the net balance credited to the contingent fund from earnings of the association, after such repayment, ~~((shall))~~ equals five percent of the amount due ~~((savings))~~ members.

The incorporators may receive ~~((dividends))~~ interest upon the amount of their contributions to the contingent fund at the same rate as is paid, from time to time, to savings members.

The amounts contributed to the contingent fund by the incorporators shall not constitute a liability of the association except as hereinafter provided, and any loss sustained by the association in excess of that portion of the contingent fund created from earnings may be charged against such contributions pro rata.

Sec. 27. Section 51, chapter 235, Laws of 1945 as last amended by section 3, chapter 84, Laws of 1981 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))~~ a mutual association.

Members ~~((shall))~~ do 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 insurance requirements of the Federal Savings and Loan Insurance Corporation for associations whose savings accounts are insured by that corporation:))~~

Sec. 28. Section 15, chapter 235, Laws of 1945 as amended by section 5, chapter 246, Laws of 1963 and RCW 33.16.020 are each amended to read as follows:

~~((The directors shall be members of the association, and a director shall cease to be such when he ceases to be a member.))~~

The board of directors shall be ~~((chosen))~~ elected at the annual meeting, unless the bylaws of the association ~~((shall))~~ otherwise provide.

A person shall not be a director of an association if ~~((he:~~

~~(1) Is not a resident of this state;~~

~~(2))~~ the person has been adjudicated bankrupt or has taken the benefit of any assignment for the benefit of creditors or has suffered a judgment recovered against him for a sum of money to remain unsatisfied of record or un superseded on appeal for a period of more than three months~~((; or~~

~~(3) Is a director, officer, or employee of any other savings and loan association or a mutual savings bank. Existing associations shall comply with the restriction of this subsection within two years after approval of this title)).~~

To be eligible to hold the position of director of an association, a person ~~((must be a member of the association, of full age, and))~~ must have savings or ~~((guaranty))~~ stock or a combination thereof in the sum or the aggregate sum of at least one thousand dollars. Such minimum amount shall not be reduced either by withdrawal or by pledge for a loan or in any other manner, so long as he remains a director of the association.

Sec. 29. Section 16, chapter 235, Laws of 1945 and RCW 33.16.030 are each amended to read as follows:

A director of a savings and loan association shall not:

(1) Have any interest, direct or indirect, in the gains or profits of the association, except to receive dividends, or interest upon his contribution to

the contingent fund ~~((and))~~ or upon his ~~((savings))~~ deposit accounts. However, nothing in this subsection shall prevent an officer from receiving his authorized compensation nor from participating in a benefit program under RCW 33.16.150, nor prevent a director from receiving an authorized director's fee;

~~((2))~~ Receive and retain, directly or indirectly, for his own use any commission on any loan, or purchase of real property or securities, made by the association;

~~((3))~~ (2) Become an endorser, surety, or guarantor, or in any manner an obligor, for any loan made by the association;

~~((4))~~ (3) For himself or as agent, partner, stockholder, or officer of another, directly or indirectly, borrow from the association, except as hereinafter provided ~~((, or become the owner of real property upon which the association holds a mortgage))~~.

Sec. 30. Section 17, chapter 235, Laws of 1945 as amended by section 21, chapter 130, Laws of 1973 and RCW 33.16.040 are each amended to read as follows:

If the supervisor shall notify the board of directors of any association in writing, that he has information that any director, officer, or employee of such association is dishonest, reckless, or incompetent or is failing to perform any duty of his office, the board shall meet and consider such matter forthwith and the supervisor shall have notice of the time and place of such meeting. If the board shall find the supervisor's objection to be well founded, such director, officer, or employee shall be removed immediately. If the board does not remove the director, officer, or employee against whom the objections have been filed, or if the board fails to meet, consider or act upon the objections within twenty days after receiving the same, the supervisor may forthwith or within twenty days thereafter, remove such individual by complying with the administrative procedure act, ~~((Title 34))~~ chapter 34.04 RCW. If the supervisor feels that the public interest or safety of the association ~~((;))~~ requires the immediate removal of such individual, ~~((he))~~ the supervisor may petition the superior court for a temporary injunction ~~((removing such individual))~~ suspending the performance of the individual as a director pending the administrative procedure hearing.

Sec. 31. Section 19, chapter 235, Laws of 1945 and RCW 33.16.050 are each amended to read as follows:

~~((Any director may be removed from office))~~ If ((he has)) a director becomes ineligible or if ((his)) the director's conduct or habits are such as to reflect discredit upon the association or if other good cause exists, the director may be removed from office by an affirmative vote of two-thirds of the members of the board of directors at any regular meeting of the board or at any special meeting called for that purpose. No such vote upon removal of a director shall be taken until ~~((he))~~ the director has been advised of the reasons therefor and has had opportunity to submit to the board of

directors ~~((his))~~ a statement relative thereto, either oral or written. If the director affected is present at the meeting, he shall ~~((retire))~~ leave the place where the meeting is being held after his statement ~~((shall have))~~ has been submitted and prior to the vote upon the matter of his removal.

Sec. 32. Section 20, chapter 235, Laws of 1945 and RCW 33.16.060 are each amended to read as follows:

Directors and officers of an association shall be deemed to stand in a fiduciary relation to the association and shall discharge the duties of their respective positions in good faith and with that diligence, care, and skill which ordinary, prudent ~~((men))~~ persons would exercise under similar circumstances in like position.

~~((Each director named in the articles of incorporation shall take and subscribe to an oath in writing, before commencing to serve, that each will, so far as the duty devolves upon him, diligently and honestly administer the affairs of the association and will not knowingly violate the laws of the state of Washington or the bylaws of the association in so doing, and each new director, before commencing to serve, shall take such oath. The oaths of the several directors shall be filed with and retained by the supervisor.))~~

Sec. 33. Section 22, chapter 235, Laws of 1945 and RCW 33.16.080 are each amended to read as follows:

The board of directors of the association shall elect the officers named in the bylaws of the association, which officers shall serve at the pleasure of the board ~~((, and shall approve, at the next monthly meeting, the naming of any employee and his compensation))~~.

Sec. 34. Section 23, chapter 235, Laws of 1945 and RCW 33.16.090 are each amended to read as follows:

The board of directors of each association shall hold a regular meeting at least once each month, at a time to be designated by it. Special meetings of the board of directors may be held upon notice to each director sufficient to permit his attendance.

At any meeting of the board of directors, a majority of the members shall constitute a quorum for the transaction of business.

The president of the association or chairman of the board or any three members of the board may call a meeting of the board by giving notice to all of the directors.

Sec. 35. Section 27, chapter 235, Laws of 1945 as amended by section 23, chapter 130, Laws of 1973 and RCW 33.16.120 are each amended to read as follows:

The board of directors shall cause to be prepared, from the books of the association, a statement of assets and of liabilities, ~~((as of December 31st in each))~~ at the end of the association's fiscal year ~~((, which statement shall be published on or before the 15th day of January of each year, in a newspaper~~

~~of general circulation in the county where the principal office of the association is located)).~~

The board shall also cause to be prepared, certified, and filed with the supervisor, upon blanks to be furnished by ~~((him))~~ the supervisor, such reports and statements as ~~((he))~~ the supervisor, from time to time, may require.

Sec. 36. Section 38, chapter 235, Laws of 1945 and RCW 33.16.150 are each amended to read as follows:

An association may provide for pensions, retirement plans and other benefits for its officers and employees, and may contribute to the cost thereof in accordance with the plan adopted by its board of directors. Any officer or employee of the association who is also a director or any director who has been an officer or employee is eligible for and may receive such pension, retirement plan, or other benefit to the extent that the officer or employee regularly participates or the director while an officer or employee regularly participated in the operation of the association.

Sec. 37. Section 12, chapter 235, Laws of 1945 as last amended by section 4, chapter 107, Laws of 1969 and RCW 33.20.010 are each amended to read as follows:

Each member having ~~((savings or))~~ deposits in ~~((an))~~ a mutual association shall have a proportionate proprietary interest in its assets or net earnings subordinate to the claims of its other creditors. ~~((Each borrower and each contract purchaser indebted to an association shall also be a member thereof but, as such, shall have no interest in its assets.))~~ At any meeting of the members of ~~((an))~~ a mutual association, each member shall be entitled to at least one vote. ~~((An))~~ A mutual association, by its bylaws, may provide that each ~~((savings))~~ member shall be entitled to one vote for each one hundred dollars of ~~((his savings))~~ the member's deposit account. At any meeting of the members, voting may be in person or by proxy. Proxies shall be in writing and signed by the member and, when filed with the secretary, shall continue in force until revoked or superseded by subsequent proxies. Written notice of the time and place of the holding of special meetings (other than the regular annual meeting) shall be mailed to each member at his last known address not more than thirty days, nor less than ten days prior to the meeting. The regular annual meeting of the mutual association shall be announced by publication of a notice thereof in a newspaper published in the city or town, or, if the association is not in a city or town, in the county in which the association is located at least ten days prior to the date of such meeting, or by ten days' written notice to the members mailed to the last known address of each member.

Sec. 38. Section 41, chapter 235, Laws of 1945 as amended by section 30, chapter 192, Laws of 1981 and RCW 33.20.040 are each amended to read as follows:

Subject to chapter 30.22 RCW, minors may become depositors or members of an association and all contracts entered into between a minor and an association, with respect to his membership or his ~~((savings))~~ deposits therein, shall be valid and enforceable, and a minor may not disaffirm, because of his minority, any such membership or agreement in connection therewith.

Sec. 39. Section 44, chapter 235, Laws of 1945 and RCW 33.20.060 are each amended to read as follows:

The state of Washington and the ~~((municipal corporations))~~ political subdivisions thereof, and trustees, administrators, executors, guardians, and other fiduciaries, either individual or corporate, in their fiduciary capacity, may ~~((become members))~~ be depositors in ~~((savings and loan))~~ associations.

NEW SECTION. Sec. 40. There is added to chapter 33.20 RCW a new section to read as follows:

An association shall maintain a record of all deposits received from its members. The issuance of a passbook, statement, or certificate may be omitted for any account if a record thereof is maintained in lieu of a passbook, statement, or certificate of deposit, on which shall be entered deposits, withdrawals, and interest credited.

Sec. 41. Section 54, chapter 235, Laws of 1945 as last amended by section 5, chapter 113, Laws of 1979 and RCW 33.20.150 are each amended to read as follows:

The ~~((savings))~~ deposits paid into an association, together with ~~((dividends))~~ any interest credited thereon, shall be repaid to the ~~((savings members))~~ depositors thereof respectively, or to their legal representatives, upon request.

~~((Every request for withdrawal shall be in writing.))~~ If, in the judgment of the board, circumstances warrant deferment of the payment of withdrawals from savings accounts to a later date, thereafter withdrawals shall be paid proportionately, on a percentage basis, to all ~~((members))~~ depositors requesting withdrawal until full withdrawal requests are paid to all ~~((members: PROVIDED, That a))~~ depositors. A board resolution of deferment shall not affect the payments of withdrawals from federal tax and loan accounts.

The board shall, however, have the right in its discretion, where need is shown, to pay not exceeding one hundred dollars to any account holder in one month. ~~((Every member shall participate in the dividends of the association until his withdrawal is paid.))~~

If, upon examination, the supervisor finds that further postponement of withdrawals is unwarranted, ~~((he))~~ the supervisor may order the association to resume full payment of withdrawals and cancel all written withdrawal requests. Such order shall be in writing.



The association's failure, during a period of postponement, to pay withdrawal requests shall not authorize the supervisor to take charge of or liquidate the association.

Sec. 42. Section 9, chapter 107, Laws of 1969 and RCW 33.20.180 are each amended to read as follows:

~~((Every savings and loan))~~ An association may classify its ~~((savers or))~~ depositors according to the character, amount, frequency or duration of their dealings with the association and may regulate the earnings in such manner that each ~~((saver or))~~ depositor ~~((shall))~~ receives the same ~~((returnable portion of dividends))~~ rate of interest as all others of ~~((his))~~ the depositor's class.

Sec. 43. Section 10, chapter 107, Laws of 1969 as amended by section 1, chapter 54, Laws of 1980 and RCW 33.20.190 are each amended to read as follows:

~~((A savings and loan))~~ An association may, on instruction from a ~~((saver or))~~ depositor, effect withdrawals from ~~((his))~~ the depositor's account by the association's drafts payable to parties and on terms as so instructed. ~~((A savings and loan))~~ An association may allow a ~~((saver or))~~ depositor to effect withdrawals or transfers from ~~((his or her))~~ the depositor's account upon negotiable or transferable order or authorization to the association. To the extent of the subjection of accounts to such withdrawal instructions or orders, such accounts may be specifically classified under RCW 33.20.180 and ineligible to receive interest or eligible only for limited interest.

Sec. 44. Section 28, chapter 130, Laws of 1973 and RCW 33.24.005 are each amended to read as follows:

The word "mortgage" as used in this title includes deed of trust and real estate contract.

Sec. 45. Section 58, chapter 235, Laws of 1945 as last amended by section 6, chapter 113, Laws of 1979 and RCW 33.24.010 are each amended to read as follows:

All association may invest its funds only as provided in this chapter.

It shall not invest more than two and a half percent of its assets ~~((or twenty thousand dollars, whichever is the greater, in a loan or loans, or in the purchase of contracts on the security of any one property))~~ in any loan or obligation to any one person, except with the written approval of the supervisor.

~~((It shall not loan to or purchase contracts payable by any one person, or community consisting of husband and wife, in an amount in excess of the association's net worth or ten percent of the association's savings accounts, whichever is less, except with written approval of the supervisor.))~~

Sec. 46. Section 67, chapter 235, Laws of 1945 as last amended by section 7, chapter 113, Laws of 1979 and RCW 33.24.100 are each amended to read as follows:

An association may invest its funds in loans, mortgages, or other obligations secured by ~~((first mortgages on improved real estate, subject to the following conditions and restrictions:~~

~~(1) No mortgage loan shall be made in excess of fifty percent of the value of the security unless its terms require the payment of the principal and interest in annual, semiannual, quarterly, or monthly payments, at a rate which if continued would repay the loan in full in not more than forty years, beginning within one year and continuing until the loan is reduced to fifty percent or less of the value of the security as then determined upon a reappraisal. No loan upon which payments in reduction of principal are not being made at least annually shall continue for more than five years, unless, at the expiration of each five year period, it shall be reappraised and the loan reduced to an amount not in excess of fifty percent of the new appraised value.~~

~~(2) Notwithstanding any other provision of this title, an association may make any loan which is insured or guaranteed in whole or in part by the federal housing administrator, the veterans' administration, or any other state or federal agency, or for which said administrator, administration, or agency has issued commitment to insure or guarantee such loan.~~

~~(3) Other loans shall not be in excess of:~~

~~(a) Ninety percent of the appraised value if secured by a first mortgage lien on property on which is situated a dwelling.~~

~~(b) Eighty-five percent of the appraised value, if secured by a first mortgage lien on property improved with a building or buildings other than as described in (3)(a) of this section.~~

~~(4) An association may make a loan in excess of the percentage limitations provided in (3)(a) of this section if that portion of the unpaid balance of such loan which is in excess of an amount equal to ninety percent of the appraised value of the real estate security is guaranteed or insured by a mortgage insurance company which has been approved by the supervisor)) real property.~~

Sec. 47. Section 73, chapter 235, Laws of 1945 and RCW 33.24.160 are each amended to read as follows:

An association may invest its funds in the ~~((purchase))~~ acquisition of furniture, fixtures and office equipment convenient and necessary for the carrying on of its business.

An association may invest its funds in real property or leasehold interests therein for use in the transaction of its business.

Sec. 48. Section 27, chapter 130, Laws of 1973 as amended by section 12, chapter 113, Laws of 1979 and RCW 33.24.295 are each amended to read as follows:

An association may ~~((also))~~ invest not to exceed ~~((ten))~~ twenty percent of its assets in ~~((secured or unsecured))~~ loans for any nonbusiness family purposes~~((: PROVIDED, That the principal amount of any such loan shall~~

~~not exceed ten thousand dollars and shall be repayable in equal monthly, quarterly, or semiannual installments commencing not more than six months after the date of such loan and extending over a payment period of not to exceed ten years)).~~

NEW SECTION. Sec. 49. There is added to chapter 33.24 RCW a new section to read as follows:

Unless the context clearly requires otherwise, "real property" means improved or unimproved real estate and includes leasehold interests in improved or unimproved real estate and includes mobile homes and manufactured housing whether temporarily, semipermanently, or permanently attached to land.

NEW SECTION. Sec. 50. There is added to chapter 33.24 RCW a new section to read as follows:

An association, 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 association'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 of the association.

NEW SECTION. Sec. 51. There is added to chapter 33.24 RCW a new section to read as follows:

An association may invest not more than twenty percent of its assets in loans on such terms as it deems appropriate.

NEW SECTION. Sec. 52. There is added to chapter 33.24 RCW a new section to read as follows:

A person or other entity, including an association, organized under the laws of this state or authorized to transact business in this state, may acquire any or all of the assets or shares of stock of any association authorized to transact business under this title.

Sec. 53. Section 1, chapter 130, Laws of 1973 and RCW 33.24.350 are each amended to read as follows:

~~((As used in this 1973 amendatory act the following words, unless differently defined shall have the meanings and references as follows:))~~ Unless the context requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Subsidiary" of a person or ~~((company for purposes of this 1973 amendatory act.))~~ other entity means any person or ~~((company))~~ other entity which is controlled by such person or ~~((company))~~ other entity.

(2) "Control" means directly or indirectly or acting in concert with one or more other persons or ~~((companies))~~ entities, or through one or more subsidiaries, owning, controlling, or holding with the power to vote twenty-five percent or more of the ~~((outstanding guaranty stock))~~ voting rights of ~~((a savings and loan))~~ an association.

(3) "Acquiring party" means the person(~~(, company, or subsidiary))~~ or other entity acquiring control of a savings and loan association.

Sec. 54. Section 2, chapter 130, Laws of 1973 as amended by section 13, chapter 113, Laws of 1979 and RCW 33.24.360 are each amended to read as follows:

(1) It is unlawful for any acquiring party to acquire control of (~~(a savings and loan))~~ an association until thirty days after the date of filing with the supervisor an application containing substantially all of the following information and any additional information that the supervisor may prescribe as necessary or appropriate in the public interest or for the protection of (~~(savings))~~ deposit account holders, borrowers or stockholders:

(a) The identity, character, and experience of each acquiring party by whom or on whose behalf acquisition is to be made;

(b) The financial and managerial resources and future prospects of each acquiring party involved in the acquisition;

(c) The terms and conditions of any proposed acquisition and the manner in which such acquisition is to be made;

(d) The source and amount of the funds or other consideration used or to be used in making the acquisition and, if any part of these funds or other consideration has been or is to be borrowed or otherwise obtained for the purpose of making the acquisition, a description of the transaction and the names of the parties(~~(;)).~~ However, where a source of funds is a loan made in the lender's ordinary course of business, if the person filing (~~(such))~~ the statement so requests, the supervisor shall not disclose the name of the lender to the public;

(e) Any plans or proposals which any acquiring party making the acquisition may have to liquidate (~~(such savings and loan))~~ the association to sell its assets, to merge it with any company, or to make any other major changes in its business or corporate structure or management;

(f) The identification of any persons employed, retained or to be compensated by the acquiring party, or by any person on his behalf, who makes solicitations or recommendations to stockholders for the purpose of assisting in the acquisition, and brief description of the terms of such employment, retainer, or arrangements for compensation;

(g) Copies of all invitations for tenders or advertisements making a tender offer to stockholders for purchase of their stock to be used in connection with the proposed acquisition(~~(; PROVIDED, That)).~~

When an unincorporated company is required to file the statements under (1) (a), (b), and (f) of this section, the supervisor may require that the information be given with respect to each partner of a partnership or limited partnership, by each member of a syndicate or group, and by each person who controls a partner or member. When an incorporated company is required to file the statements under (1) (a), (b), and (f) of this section, the supervisor may require that the information be given for the corporation

and for each officer and director of the corporation and for each person who is directly or indirectly the beneficial owner of twenty-five percent or more of the outstanding voting securities of the corporation (~~(--PROVIDED FURTHER, That))~~. If any tender offer, request or invitation for tenders or other agreement to acquire control is proposed to be made by means of a registration statement under the federal securities act of 1933 (48 Stat. 74, 15 U.S.C. Sec. 77a), as amended, or in circumstances requiring the disclosure of similar information under the federal securities exchange act of 1934 (48 Stat. 881; 15 U.S.C. Sec. 77b), as amended, or in an application filed with the federal home loan bank board requiring similar disclosure, such registration statement or application may be filed with the supervisor in lieu of the requirements of this section.

(2) The supervisor shall give notice by mail to all (~~(savings and loan))~~ associations doing business within the state of the filing of an application to acquire control of an association. The association shall transmit a check to the supervisor for (~~(one))~~ two hundred dollars when filing the application to cover the expense of notification. Persons interested in protesting (~~(such an))~~ the application may contact the supervisor in person or by writing prior to a date which shall be given in (~~(said))~~ the notice.

Sec. 55. Section 3, chapter 130, Laws of 1973 and RCW 33.24.370 are each amended to read as follows:

The supervisor may within thirty days after the date of filing of the application (~~(referred to in))~~ under RCW 33.24.360, file an action or proceeding in (~~(the))~~ superior court to prevent the pending acquisition of control if (~~(he))~~ the supervisor finds any of the following:

(1) The acquisition would substantially lessen competition or would in any manner be in restraint of trade or would result in a monopoly, or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the savings and loan business in any part of the state of Washington, unless (~~(he))~~ the supervisor also finds that the anticompetitive effects of the proposed acquisition are clearly outweighed in the public interest by the probable effect of the acquisition in meeting the convenience and needs of the community to be served;

(2) The poor financial condition of any acquiring party might jeopardize the financial stability of the (~~(savings and loan))~~ association being acquired or might prejudice the interests of the (~~(savings account holders))~~ depositors, borrowers, or stockholders of the (~~(savings and loan))~~ association or is not in the public interest;

(3) The plan or proposal under which the acquiring party intends to liquidate the (~~(savings and loan))~~ association, to sell its assets, or to merge it with any person or company, or to make any other major change in its business or corporate structure or management, is not fair and reasonable to the association's (~~(savings account holders))~~ depositors, borrowers, or stockholders or is not in the public interest; or

(4) The competence, experience and integrity of any acquiring party who would control the operation of the ~~((savings and loan))~~ association indicates that approval would not be in the interest of the association's ~~((savings account holders))~~ depositors, borrowers, or stockholders ~~((or))~~ nor in the public interest.

NEW SECTION. Sec. 56. There is added to chapter 33.24 RCW a new section to read as follows:

Section 52 of this 1982 act, RCW 33.24.350, 33.24.360, and 33.24.370 do not apply to foreign associations doing business in this state, except when an acquiring party intends to acquire only one or more branches of a foreign association which are located in this state.

Sec. 57. Section 77, chapter 235, Laws of 1945 as last amended by section 1, chapter 22, Laws of 1974 ex. sess. and RCW 33.28.020 are each amended to read as follows:

~~((Every savings and loan association organized under the laws of this state shall on or before the 31st day of July in each year, pay to the supervisor a license fee, for the ensuing fiscal year commencing July 1st, of fifty dollars. An additional fee of fifty dollars shall also be paid for each branch office.))~~

The supervisor shall ~~((also))~~ collect from each association ~~((the actual cost for examination and supervision of its condition))~~ a fee, the amount of which shall be set by rule, to cover the actual cost of examinations and supervision.

Sec. 58. Section 79, chapter 235, Laws of 1945 as last amended by section 4, chapter 134, Laws of 1972 ex. sess. and RCW 33.28.040 are each amended to read as follows:

The fees ~~((herein))~~ provided for in this title shall be in lieu of all other corporation fees, licenses, or excises for the privilege of doing business, except for business and occupation taxes imposed pursuant to chapter 82.04 RCW, and except for license fees or taxes imposed by a city or town under RCW 82.14A.010, notwithstanding any other provisions of this section.

Neither an association nor its members shall be taxed upon its ~~((savings))~~ deposit accounts as property~~((An association shall be taxable)), nor shall a domestic association be taxed upon its real and tangible personal property at a rate greater than any federal association doing business in this state.~~

An association is ~~((a mutual))~~ an institution for ((savings)) deposits and neither it nor its property shall be taxed under any law which shall exempt banks or other savings institutions, state or federal, from taxation.

For all purposes of taxation, the assets represented by the contingent fund, guaranty fund, and other reserves (other than reserves for expenses and specific losses) of an association shall be deemed its only permanent

capital and, in computing any tax, whether property, income, or excise, appropriate adjustments shall be made to give effect to the ((mutual)) nature of such association.

Sec. 59. Section 81, chapter 235, Laws of 1945 and RCW 33.32.020 are each amended to read as follows:

Unless prohibited by the laws of the state in which it is incorporated, a foreign ((savings and loan)) association or like corporation authorized to do business in this state which, by the laws of the state in which it is incorporated, is required to be examined or to make reports to officers of such state, after each such examination or on the making of each such report, shall furnish to the supervisor a copy of such examination or report, certified by the officer of ((such)) the state making such examination or receiving ((such)) the report.

Sec. 60. Section 82, chapter 235, Laws of 1945 and RCW 33.32.030 are each amended to read as follows:

Except as to those matters relating strictly to its internal management which are governed by provisions of the law of the state of its incorporation inconsistent with this title, a foreign ((savings and loan)) association or like corporation authorized to transact business in this state(;) shall conduct its business ((and comply with all requirements of the supervisor)) in conformance with the provisions of this title and all requirements of the supervisor.

All agreements made by any foreign association or like corporation doing business in this state with any resident of this state shall be deemed and construed to be made within this state.

Sec. 61. Section 86, chapter 235, Laws of 1945 and RCW 33.32.070 are each amended to read as follows:

Any foreign savings and loan association or like corporation doing business in this state which ~~((shall remove any action commenced against it in a court of this state to a court of the United States, or which shall fail to pay any judgment rendered against it in any court in this state within sixty days after such judgment shall become final, or which shall))~~ fails to comply with any provision of this title~~((; or which shall be placed in liquidation or receivership, or other like proceedings, in any state;))~~ as required shall not thereafter transact any business within this state.

Sec. 62. Section 89, chapter 235, Laws of 1945 and RCW 33.36.030 are each amended to read as follows:

Every transfer of its property and assets by any ~~((savings and loan))~~ association in this state, made in contemplation of insolvency, or after it ~~((shall have))~~ becomes insolvent, with a view to the preference of one creditor or member over another, or to prevent the proper distribution of its property and assets among its creditors and members, shall be void.

Every director, officer, agent, or employee making such transfer or assisting therein (~~shall be~~) is guilty of a class C felony as provided in chapter 9A.20 RCW.

Sec. 63. Section 90, chapter 235, Laws of 1945 and RCW 33.36.040 are each amended to read as follows:

Every person who (~~shall~~) subscribes to or knowingly makes or causes to be made any false statement or false entry in the books of any association, or (~~shall~~) knowingly subscribes to or exhibits any false or fictitious security, document, or paper, with intent to deceive any person authorized to examine into the affairs of any association, or (~~shall~~) knowingly makes or publishes any false statement of the amount of the assets or liabilities of the (~~savings~~) association, (~~shall be~~) is guilty of a class C felony as provided in chapter 9A.20 RCW.

Sec. 64. Section 92, chapter 235, Laws of 1945 and RCW 33.36.050 are each amended to read as follows:

Any person who (~~shall~~) wilfully instigates, makes, circulates, or transmits to another or others any (~~false~~) statement which the person knows to be false concerning the (~~moral or~~) financial condition(;) or affecting the financial standing of any association doing business in this state, or who wilfully counsels, aids, procures or induces another to start, transmit, or circulate any such statement (~~or rumor; shall be~~) which the person knows to be false, is guilty of a gross misdemeanor.

Sec. 65. Section 91, chapter 235, Laws of 1945 and RCW 33.36.060 are each amended to read as follows:

Any person who, for the purpose of concealing any material fact, (~~shall~~) suppresses any evidence or abstract, removes, mutilates, destroys, or secretes any book, paper or record of an association, or of the supervisor, or of anyone connected with the association or the office of the supervisor, (~~shall be~~) is guilty of a class C felony as provided in chapter 9A.20 RCW.

Sec. 66. Section 103, chapter 235, Laws of 1945 and RCW 33.40.020 are each amended to read as follows:

Whenever it (~~shall~~) appears to the supervisor that any domestic association is in an unsound condition or is conducting its business in an unsafe manner or is refusing to submit its books, papers, or concerns to lawful inspection, or that any director or officer thereof refuses to submit to examination on oath touching its concerns and affairs or that it has failed to carry out any authorized order or direction of the supervisor, the supervisor may give notice to the association so offending or delinquent or whose director or officer is thus offending or delinquent to correct such offense or delinquency and, if such association or such director or officer fails to correct (~~said~~) the condition, offense, or delinquency within a reasonable time, as determined by the supervisor, the supervisor may take possession of (~~such~~) the association.



Sec. 67. Section 105, chapter 235, Laws of 1945 and RCW 33.40.040 are each amended to read as follows:

Upon the supervisor taking possession of any domestic association, ~~((he))~~ the supervisor shall proceed to liquidate ~~((such))~~ the association unless, in ~~((his))~~ the supervisor's discretion, ~~((he))~~ the supervisor shall determine to call a meeting of the ~~((savings))~~ members to consider either a proportionate charge-off against the ~~((members' savings))~~ deposit accounts ~~((except juvenile and school savings))~~ to permit the association thereafter to continue in business, or whether the association should proceed to voluntary liquidation under the management of its board of directors. In such event, if the supervisor ~~((shall))~~ approves the decision of a majority in amount of the ~~((savings))~~ members present and voting, ~~((he))~~ the supervisor shall order such action to be taken.

During any period of voluntary liquidation, the supervisor may take possession of the association and its assets and complete the liquidation whenever, in ~~((his))~~ the supervisor's discretion, this seems advisable.

Sec. 68. Section 106, chapter 235, Laws of 1945 as amended by section 29, chapter 130, Laws of 1973 and RCW 33.40.050 are each amended to read as follows:

Whenever the supervisor ~~((shall))~~ determines to liquidate the affairs of ~~((an))~~ a domestic association, ~~((he))~~ the supervisor shall cause the attorney general to present to the superior court of the county in which ~~((such))~~ the association has its principal place of business a written petition setting forth the date of ~~((his))~~ the taking of possession, the reasons therefor, and other material facts concerning the affairs of the association and, if the court ~~((shall))~~ determines that ~~((said))~~ the association should be liquidated, it shall appoint the supervisor, ~~((and no))~~ or other responsible person as recommended by the supervisor, as the liquidator of ~~((such))~~ the association and fix and require a bond to be given by the liquidator conditioned for the faithful performance of ~~((his))~~ the duties as such liquidator, but if the association has the insurance protection provided by Title IV of the National Housing Act, as now or hereafter amended, the court upon the request of the supervisor may tender to the federal savings and loan insurance corporation the appointment as liquidator.

Upon the filing with and approval by the court of ~~((such))~~ the bond, the supervisor or other person appointed shall enter upon ~~((his))~~ the duties as liquidator of the affairs of the association, and, under the direction of the court, shall administer and liquidate the assets thereof and apply the same to the payment of the expenses of liquidation and the debts of the association, and distribute the remainder to the ~~((savings members, first paying juvenile and school savings accounts in full, and distributing the then remainder to the remaining savings))~~ deposit accounts proportionately.

If the court tenders the appointment as liquidator to the federal savings and loan insurance corporation, and if the insurance corporation accepts

~~((such))~~ the appointment, it shall have and possess all the powers and privileges provided by the laws of this state with respect to a liquidator of ~~((a savings and loan))~~ an association, its depositors and other creditors, and be subject to all the duties of such liquidator, except insofar as such powers, privileges, or duties are in conflict with the provisions of Title IV of the National Housing Act, as now or hereafter amended. In any liquidation proceeding in which the insurance corporation is the liquidator, it may proceed to liquidate without being subject to the control of the court and without bond.

Sec. 69. Section 108, chapter 235, Laws of 1945 as amended by section 10, chapter 71, Laws of 1953 and RCW 33.40.070 are each amended to read as follows:

The liquidator, upon the approval of the court, may sell, discount, or compromise debts of the association and claims against its debtors. The liquidator, with the approval of the court, may lease, operate, repair, exchange, or sell, either for cash or upon terms, the real and personal property of the association.

The liquidator, with the approval of the court, when funds are available, may pay savings members whose balances amount to not more than five dollars, the full amount of the balances.

Checks issued or payments held by the liquidator which remain undelivered for six months following the final liquidation dividend~~((;))~~ shall be deposited with the supervisor, after which the liquidator shall be discharged by the court. During ten years thereafter, the supervisor shall deliver the checks or payments, or ~~((his))~~ the supervisor's own checks in lieu thereof, to the payee, or his legal representative, upon receipt of satisfactory evidence of ~~((his))~~ the payee's right thereto. After ~~((said))~~ the ten years, the supervisor shall cancel all such checks or payments remaining in ~~((his))~~ the supervisor's possession and issue ~~((his))~~ a check against the account for the amount thereof, payable to the state treasurer, and deliver it to ~~((him))~~ the state treasurer. Such payment shall escheat to the state, without further legal proceedings.

Sec. 70. Section 1, chapter 105, Laws of 1951 and RCW 33.40.075 are each amended to read as follows:

All funds received by the supervisor from liquidations may be invested by ~~((him in banks and savings and loan associations in amounts not in excess of the amount insured by the federal deposit insurance corporation or the federal savings and loan insurance corporation, or in securities authorized herein, and))~~ the supervisor. The earnings from the moneys so held may be applied toward defraying the expenses incurred in the liquidations.

Sec. 71. Section 112, chapter 235, Laws of 1945 as amended by section 11, chapter 71, Laws of 1953 and RCW 33.40.110 are each amended to read as follows:

In a voluntary liquidation of ~~((an))~~ a domestic association, checks issued in the liquidation or funds representing liquidating dividends or otherwise which remain undelivered for six months following the final liquidating dividend, shall be deposited with the supervisor, together with any files, records, documents, books of account, or other papers of the association. The supervisor, at any time after one year from delivery, may destroy any of such files, records, documents, books of account, or other papers which appear to ~~((him))~~ the supervisor to be obsolete or unnecessary for future reference. During ten years thereafter, the supervisor shall deliver such checks, or ~~((his))~~ the supervisor's own checks in lieu thereof, or portions of such funds to the payee, or ~~((his))~~ the payee's legal representative, upon receipt of satisfactory evidence of ~~((his))~~ the payee's right thereto. After the ten years, the supervisor shall cancel all such checks remaining in ~~((his))~~ the supervisor's possession and issue ~~((his))~~ a check payable to the state treasurer for the amount thereof together with any other liquidating funds, and deliver them to ~~((him))~~ the state treasurer. Such payment shall escheat to the state without further legal proceedings.

Sec. 72. Section 113, chapter 235, Laws of 1945 as amended by section 86, chapter 81, Laws of 1971 and RCW 33.40.120 are each amended to read as follows:

The court, upon notice and hearing, may remove the liquidator for cause. From such order of removal the ~~((supervisor))~~ liquidator may appeal to the supreme court or the court of appeals by giving notice of appeal and posting bond for costs as in other appeals.

During the pendency of any appeal, the director of general administration shall act as liquidator of the association, without giving any additional bond for the performance of ~~((his))~~ the duties as such liquidator.

If such order of removal shall be affirmed, the director of general administration shall name another liquidator for the association, which nominee, upon qualifying as required for receivers generally, shall succeed to the position of liquidator of the association.

Sec. 73. Section 100, chapter 235, Laws of 1945 and RCW 33.40.130 are each amended to read as follows:

Savings deposits received by an association, during a period or periods of postponement of payment of withdrawals or of acute business depression, panic or economic emergency under authorization or declaration of the supervisor as hereinbefore provided, shall be repaid to the ~~((members))~~ depositors paying in such savings before any liquidation dividends shall be declared or paid if, during such period or periods or at the expiration thereof, the supervisor ~~((staff))~~ takes charge of the association for liquidation, as ~~((hereinafter))~~ provided in this title ~~((provided))~~.

Sec. 74. Section 116, chapter 235, Laws of 1945 as amended by section 10, chapter 20, Laws of 1949 and RCW 33.43.010 are each amended to read as follows:

Any domestic association may convert itself into a federal mutual or stock savings and loan association. Any such conversion shall be effected by the vote of a majority in amount of the members present, in person or by proxy, at any regular or special meeting of the members called for such purpose. Notice of such meeting, stating the purpose thereof, shall be given the supervisor at least thirty days prior to the meeting and to the members pursuant to the provisions contained in RCW 33.20.010.

If such conversion be authorized by the members at the meeting, the directors of the association are authorized and shall effect such action, and the officers of the association shall execute all proper conveyances, documents, and other papers necessary or proper thereunto.

If conversion be authorized, a copy of the minutes of the meeting shall be filed forthwith with the supervisor.

Upon consummation of such conversion, the successor federal savings and loan association shall succeed to all right, title, and interest of the domestic association in and to its assets, and to its liabilities to the creditors and members of the association. Upon such conversion, after the execution and delivery of all instruments of transfer, conveyance and assignment, the domestic association shall be deemed dissolved.

Sec. 75. Section 1, chapter 154, Laws of 1917 as last amended by section 34, chapter 302, Laws of 1981 and RCW 33.44.020 are each amended to read as follows:

Any (~~going building and loan or savings and loan~~) association (~~(or society)~~) organized under the laws of this state, or under the laws of the United States, may, (~~(if its contingent fund regularly accumulated, exclusive of any reserve fund stock, amounts to not less than five thousand dollars and)~~) if it has obtained the approval, required by law or regulation, of any federal agencies, including the federal home loan bank board and the federal savings and loan insurance corporation, be converted into a (~~(mutual)~~) savings bank or commercial bank in the following manner:

(1) The board of directors of such association shall pass a resolution declaring (~~(their)~~) its intention to convert the association into a (~~(mutual)~~) savings bank or commercial bank and shall apply to the supervisor of banking for leave to submit to the (~~(shareholders)~~) members of the association the question whether the (~~(same)~~) association shall be converted into a (~~(mutual)~~) savings bank or a commercial bank. A duplicate of the application to the supervisor of banking shall be filed with the supervisor of savings and loan associations, except that no such filing shall be required in the case of an association organized under the laws of the United States. The application shall include a proposal which sets forth the method by and extent to

which membership or stockholder interests, as the case may be, in the association are to be converted into membership or stockholder interests, as the case may be, in the savings bank or commercial bank, and the proposal shall allow for any member or stockholder to withdraw the value of his interest at any time within sixty days of the completion of the conversion. The proposal shall be subject to the approval of the supervisor of banking and shall conform to all applicable regulations of the federal home loan bank board, the federal savings and loan insurance corporation, the federal deposit insurance corporation, or other federal regulatory agency.

(2) Thereupon the supervisor of banking shall make the same investigation and determine the same questions as ~~((he))~~ would be required by law to make and determine in case of the submission to ~~((him))~~ the supervisor of banking of a certificate of incorporation of a proposed new ~~((mutual))~~ savings bank or commercial bank, and ~~((he))~~ the supervisor of banking shall also determine after conference with the supervisor of savings and loan associations whether by the proposed conversion the business needs and conveniences of the ~~((shareholders))~~ members of ~~((such))~~ the association would be served with facility and safety, except that no such conference shall be pertinent to such investigation or determination in the case of an association organized under the laws of the United States. After the supervisor of banking ~~((shall have satisfied himself by such investigation))~~ determines whether it is expedient and desirable to permit the proposed conversion, ~~((he))~~ the supervisor of banking shall, within sixty days after the filing of ~~((said))~~ the application, endorse thereon over ~~((his))~~ the official signature of the supervisor of banking the word "granted" or the word "refused", with the date of such endorsement and shall immediately notify the secretary of such association of his decision ~~((: PROVIDED, That))~~. If ~~((the))~~ an application to convert to a mutual savings bank is granted, the supervisor of banking shall require the applicants to enter into such an agreement or undertaking with ~~((him))~~ the supervisor of banking as trustee for the depositors with the mutual savings bank to make such contributions in cash to the expense fund of the mutual savings bank as in ~~((his))~~ the supervisor's judgment will be necessary then and from time to time thereafter to pay the operating expenses of the mutual savings bank if its earnings should not be sufficient to pay the same in addition to the payment of such dividends as may be declared and credited to depositors from its earnings.

~~((In case of refusal, said board of directors, or a majority thereof;))~~ If the application is denied by the supervisor of banking, the association, acting by a two-thirds majority of its board of directors, may, within thirty days after receiving the notice of ~~((such refusal))~~ the denial, appeal to ~~((a board of appeal composed of the governor or the governor's designee, the attorney general and the supervisor of banking, in the same manner and under the same procedure as that prescribed by law for an appeal to such~~

~~board from the supervisor of banking's refusal to permit the original organization of a mutual savings bank)) the superior court in the manner prescribed in RCW 34.04.130.~~

(3) If ~~((such))~~ the application ~~((be))~~ is granted by the supervisor of banking or by the ~~((board of appeal))~~ court, as the case may be, the board of directors of ~~((such))~~ the association shall, within sixty days thereafter, submit the question of the proposed conversion to the ~~((shareholders))~~ members of the association at a special meeting called for that purpose. Notice of ~~((such))~~ the meeting shall ~~((be given in the manner prescribed by the bylaws of the association. Such notice shall))~~ state the time, place and purpose of the meeting, and that the only question to be voted upon will be, "shall the (naming the association) be converted into a ~~((mutual))~~ savings bank or commercial bank under the laws of the state of Washington?" The vote on ~~((said))~~ the question shall be by ballot. Any ~~((shareholder))~~ member may vote by proxy or may transmit ~~((his))~~ the member's ballot by mail if the bylaws provide a method for so doing. If two-thirds or more in number of the ~~((shareholders))~~ members voting on the question vote affirmatively, then the board of directors shall have power, and it shall be ~~((their))~~ its duty, to proceed to convert such association into a ~~((mutual))~~ savings bank or commercial bank; otherwise, the proposed conversion shall be abandoned and shall not be again submitted to the ~~((shareholders))~~ members within three years from the date of ~~((said))~~ the meeting.

(4) If authority for the proposed conversion has been ~~((voted))~~ approved by the ~~((shareholders))~~ members as ~~((hereinabove))~~ required by this section, the directors shall, within thirty days thereafter, subscribe and acknowledge and file with the supervisor of banking in triplicate a certificate of reincorporation, stating:

(a) The name by which the converted corporation is to be known(~~;~~ ~~which name shall include the words "mutual savings bank."~~);

(b) The place where the bank is to be located and its business transacted, naming the city or town and county, which city or town shall be the same as that where the principal place of business of the corporation has theretofore been located.

(c) The name, occupation, residence and post office address of each signer of the certificate.

(d) The amount of the assets of the corporation, the amount of its liabilities and the amount of its contingent ~~((fund)),~~ reserve, expense, and guaranty fund, as applicable, as of the first day of the then calendar month.

(e) A declaration that each signer will accept the responsibilities and faithfully discharge the duties of a trustee or director of the ~~((savings))~~ bank, and is free from all the disqualifications specified in the laws applicable to ~~((mutual))~~ savings banks or commercial banks.

(f) Such other items as the supervisor of banking may require.

(5) Upon the filing of ~~((said))~~ the certificate in triplicate, the supervisor of banking shall, within thirty days thereafter, if satisfied that all the provisions of this chapter have been complied with, issue in triplicate an authorization certificate stating that the corporation has complied with all the requirements of law, and that it has authority to transact at the place designated in its certificate of incorporation the business of a ~~((mutual))~~ savings bank or commercial bank. One of the supervisor's certificates of authorization shall be attached to each of the certificates of reincorporation, and one set of these shall be filed and retained by the supervisor of banking, one set shall be filed in the office of the secretary of state, and one set shall be transmitted to the bank for its files. Upon the receipt from the corporation of the same fees as are required for filing and recording other incorporation certificates or articles, the secretary of state shall file ~~((said))~~ the certificates and record the same; whereupon the conversion of ~~((such))~~ the association shall be deemed complete, and the signers of said reincorporation certificate and their successors shall thereupon become and be a corporation having the powers and being subject to the duties and obligations prescribed by the laws of this state applicable to ~~((mutual))~~ savings banks~~(, and the time of existence of such corporation shall continue for the period of fifty years from the date of the filing of such certificate, unless sooner terminated pursuant to law)~~ or commercial banks, as the case may be. The time of existence of the corporation shall be perpetual unless provided otherwise in the articles of incorporation of the association or unless sooner terminated pursuant to law.

Sec. 76. Section 2, chapter 154, Laws of 1917 as amended by section 2, chapter 177, Laws of 1927 and RCW 33.44.080 are each amended to read as follows:

Upon the conversion of any association into a ~~((mutual))~~ savings bank or commercial bank, every person who was a ~~((shareholder))~~ depositor of the association at the time of the conversion shall become and be deemed to be a depositor of the bank in a sum equal to the ~~((withdrawal))~~ value of ~~((his shares))~~ the deposit of the depositor as of the day on which the conversion was consummated~~(, and every such depositor shall share in the earnings of the corporation to that day as though the conversion had not been effected. PROVIDED, HOWEVER, That any person who was a shareholder shall be entitled at any time within sixty days after the conversion was consummated to withdraw the value of his shares as though no conversion had taken place).~~

Sec. 77. Section 3, chapter 154, Laws of 1917 as amended by section 3, chapter 177, Laws of 1927 and RCW 33.44.090 are each amended to read as follows:

All mortgages, notes and other securities of any association that has been converted into a ~~((mutual))~~ savings bank or commercial bank, shall on request of the bank, be delivered to it by the supervisor of savings and loan

associations or under ~~((his))~~ the supervisor's direction by any ~~((trust company or other))~~ depository having possession thereof. ~~((The contingent fund of the association shall become the guaranty fund of the bank.))~~ Every such bank shall, as soon as practicable and within such time and by such methods as the supervisor of banking may direct, cause its organization, its securities and investments, the character of its business and its methods of transacting the same to conform to the laws applicable to ~~((mutual))~~ savings banks or commercial banks, as applicable.

NEW SECTION. Sec. 78. There is added to chapter 33.44 RCW a new section to read as follows:

If, in the opinion of the supervisor of savings and loans and the supervisor of banking, it is necessary for any of the requirements of this chapter to be waived in order to permit an association which is in danger of failing to convert its charter to that of a commercial bank or a savings bank so that the association may be acquired by a commercial bank or a savings bank or a bank holding company, then the supervisor of savings and loans and the supervisor of banking may waive any such requirement.

NEW SECTION. Sec. 79. There is added to chapter 33.44 RCW a new section to read as follows:

The supervisor of savings and loan associations and the supervisor of banking shall adopt such rules under the administrative procedure act, chapter 34.04 RCW, as are necessary to implement this chapter in a manner which protects the relative interests of members, depositors, borrowers, stockholders, and creditors.

Sec. 80. Section 1, chapter 83, Laws of 1975 1st ex. sess. and RCW 33-46.010 are each amended to read as follows:

As used in this chapter, unless the context indicates otherwise:

(1) "Association" means any ~~((building and loan or savings and loan))~~ association ~~((or society))~~ organized under the laws of this state or ~~((a savings and loan association organized under))~~ the laws of the United States of America;

(2) "Director" means a member of the ~~((managing))~~ board of directors of an association, savings bank, or commercial bank, as applicable;

(3) "Bank" means a ~~((mutual))~~ savings bank or commercial bank organized under the laws of this state; and

(4) "Trustee" means a member of the managing board of a mutual savings bank.

Sec. 81. Section 2, chapter 83, Laws of 1975 1st ex. sess. and RCW 33-46.020 are each amended to read as follows:

Any ~~((going))~~ bank ~~((, if its guaranty fund regularly accumulated amounts to five thousand dollars or more,))~~ be converted into an association in the following manner:



(1) The trustees or directors of ~~((such))~~ the bank shall pass, by at least a two-thirds favorable vote of all trustees or directors, a resolution declaring its intention to convert the bank into an association, specifying in such resolution the type of association and whether the association is to be organized under the laws of this state, or is to be organized under the laws of the United States of America. If the association is to be a state association the bank shall apply to the supervisor of savings and loan associations for authority to convert into an association~~((;))~~. The application shall include a proposal which sets forth the method by and extent to which membership or stockholder interests, as the case may be, in the bank are to be converted into membership or shareholder interest, as the case may be, in the association, and the proposal shall allow for any member or stockholder to withdraw the value of his interest at any time within sixty days of the completion of the conversion. The proposal is subject to the approval of the supervisor of savings and loans and shall conform to all applicable regulations of the federal deposit insurance corporation, the federal home loan bank board, the federal savings and loan insurance corporation, or other federal regulatory agency.

(2) A duplicate of the application made to the supervisor of savings and loan associations, or such application as may be filed with the federal home loan bank board or other federal agency, shall be filed with the supervisor of banking~~((;))~~.

(3) The supervisor of savings and loan associations shall, in the case of an application to convert into a state association, make the same investigation and determine the same questions as he would be required by law to make in determining the case of submission to him of articles of incorporation of a proposed new state association, and shall also determine, after conference with the supervisor of banking, whether the proposed conversion would serve the needs and conveniences of the depositors of ~~((such))~~ the bank~~((;and))~~.

(4) The supervisor of savings and loan associations shall grant or deny the application within sixty days of its date of filing and shall immediately notify the secretary of ~~((such))~~ the bank of ~~((his))~~ the decision.

Sec. 82. Section 3, chapter 83, Laws of 1975 1st ex. sess. and RCW 33-.46.030 are each amended to read as follows:

If the application ~~((is granted))~~ to become a ~~((state))~~ domestic mutual association is granted, the supervisor of savings and loan associations shall require the applicant to enter into an agreement or undertaking with ~~((him))~~ the supervisor, as trustee for the ~~((shareholders))~~ members of the association, to make such cash contributions to an expense fund of the mutual association as in ~~((his))~~ the supervisor's judgment will be necessary then and from time to time thereafter to pay the operating expenses of the

association if its earnings should not be sufficient to pay the same in addition to the payment of such dividends as may be declared and credited to ((shareholders)) members from its earnings.

Sec. 83. Section 4, chapter 83, Laws of 1975 1st ex. sess. and RCW 33.46.040 are each amended to read as follows:

If the application is denied by the supervisor of savings and loan associations, the bank, acting by a two-thirds majority of its trustees or directors, may, within thirty days after receiving notice of such denial, appeal to the superior court of Thurston county pursuant to the provisions of the administrative procedure act, chapter 34.04 RCW.

Sec. 84. Section 5, chapter 83, Laws of 1975 1st ex. sess. as amended by section 35, chapter 302, Laws of 1981 and RCW 33.46.050 are each amended to read as follows:

If the application is granted by the supervisor of savings and loan associations, or by the court, the trustees or directors of ((such)) the bank shall, within thirty days thereafter, subscribe, acknowledge, and file with the supervisor of savings and loan associations, in triplicate, a certificate of reincorporation stating:

(1) The name by which the association is to be known(~~(, which name shall include the words "building and loan" or "savings and loan", and "association" or "society" ));~~);

(2) The place where the association is to be located and its business transacted, naming the city or town and the county, which city or town shall be the same as that where the principal place of business of the bank has theretofore been located;

(3) The name, occupation, residence, and post office address of each signer of the certificate;

(4) The amount of the assets of the association, the amount of its liabilities, and the amount of its contingent, expense, or guaranty fund, as applicable, as of the first day of the calendar month during which the certificate is filed; and

(5) A declaration that each signer will accept the responsibilities and faithfully discharge the duties of a director of the association, and is free from all the disqualifications specified in the laws applicable to savings and loan associations.

Sec. 85. Section 6, chapter 83, Laws of 1975 1st ex. sess. as amended by section 36, chapter 302, Laws of 1981 and RCW 33.46.060 are each amended to read as follows:

Upon filing the certificate in triplicate as provided in RCW 33.46.050, the supervisor of savings and loan associations shall, within thirty days thereafter, if satisfied that all the provisions of this chapter have been complied with, issue in triplicate an authorization certificate stating that the association has complied with all of the requirements of law, and that it has

authority to transact, at the place or places designated in its certificate, the business of an association. The supervisor of savings and loan associations shall retain one set of the triplicate originals of the certificate of reincorporation and of the certificate of authorization and shall transmit the other two sets to the association, which shall retain one set, and file one set with the secretary of state, paying the required fees. Upon such filings being made, the conversion of ~~((such))~~ the bank to ~~((such))~~ the association shall be deemed complete and consummated, and the association shall thereupon be a corporation having the powers and being subject to the duties and obligations prescribed by the laws of this state applicable to state associations, and the time of existence of such association shall be perpetual, unless sooner terminated.

Sec. 86. Section 7, chapter 83, Laws of 1975 1st ex. sess. and RCW 33-46.070 are each amended to read as follows:

Upon the conversion of a bank into an association, every person who was a depositor of the bank at the time of the conversion shall become and be deemed to be a ~~((shareholder or))~~ depositor of the association in a sum equal to the ~~((withdrawal))~~ value of ~~((his))~~ the deposits of the depositor in the bank as of the day on which the conversion was consummated~~((, and every such shareholder shall share in the interest paid by the corporation to that day as though the conversion had not been effected: PROVIDED, That any person who was a depositor of the bank shall be entitled, at any time within sixty days after the conversion was consummated, to withdraw the value of his deposits as though no conversion had taken place))~~.

Sec. 87. Section 8, chapter 83, Laws of 1975 1st ex. sess. and RCW 33-46.080 are each amended to read as follows:

All mortgages, notes, and other securities of any bank that has been converted into an association shall, on request of the association, be delivered to it by the supervisor of banking or, under ~~((his))~~ the direction of the supervisor of banking, by any ~~((trust company or other))~~ depository having possession thereof. ~~((The guaranty fund of the bank shall become the contingent fund of the association.))~~ If the association is a state association it shall, as soon as practicable and within such time and by such methods as the supervisor of savings and loan associations may direct, cause its organization, its securities and investments, the character of its business, and its methods of transacting the same to conform to the laws applicable to state associations.

Sec. 88. Section 10, chapter 83, Laws of 1975 1st ex. sess. and RCW 33.46.100 are each amended to read as follows:

Within twelve months following consummation of the conversion, the directors of a ~~((state))~~ domestic association shall call a meeting of the ~~((shareholders))~~ members for the purpose of electing directors and conducting such other business of the association as is appropriate. Notice of

such meeting shall be mailed not less than ten nor more than thirty days in advance of ~~((such))~~ the meeting to the last known address of each ~~((shareholder))~~ member. ~~((Such))~~ The notice may also include a proxy form authorizing any one or more persons, who may be directors or officers of the association, selected by the directors, to vote on behalf of any ~~((shareholder))~~ member executing such proxy.

Sec. 89. Section 11, chapter 83, Laws of 1975 1st ex. sess. and RCW 33.46.110 are each amended to read as follows:

If the bank specifies in the resolution that it intends to become a federal association, it shall proceed to make all filings and do all things which are required by federal laws and regulations to qualify as and become a federal association, and when all such things have been accomplished and a charter has been issued by the appropriate federal agency, the bank shall thereupon cease to be a ~~((mutual-savings))~~ bank organized under the laws of this state.

NEW SECTION. Sec. 90. There is added to chapter 33.46 RCW a new section to read as follows:

The supervisor of savings and loan associations and the supervisor of banking shall adopt such rules under the administrative procedure act, chapter 34.04 RCW, as are necessary to implement this chapter in a manner which protects the relative interests of members, depositors, borrowers, stockholders, and creditors.

Sec. 91. Section 4, chapter 84, Laws of 1981 and RCW 33.48.025 are each amended to read as follows:

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

Sec. 92. Section 4, chapter 122, Laws of 1955 as last amended by section 1, chapter 84, Laws of 1981 and RCW 33.48.030 are each amended to read as follows:

Stock 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 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. 93. Section 5, chapter 122, Laws of 1955 as last amended by section 2, chapter 84, Laws of 1981 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, 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 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. 94. Section 9, chapter 122, Laws of 1955 as last amended by section 8, chapter 107, Laws of 1969 and RCW 33.48.080 are each amended to read as follows:

Each member ((having guaranty stock)) in ((an)) a stock association shall have a proportionate proprietary interest in its assets and net earnings subordinate to the claims of its creditors with priorities as established by this chapter ~~((33.48 RCW; but no other member as defined in RCW 33.48.010 shall have any such interest except as provided in RCW 33.48.120 as now or hereafter amended))~~.

Sec. 95. Section 10, chapter 122, Laws of 1955 and RCW 33.48.090 are each amended to read as follows:

No dividend shall be paid or credited upon shares of ((guaranty)) stock for any period in which the association ((shall)) has not ((have)) declared and paid ((dividends upon withdrawable savings)) interest on deposits eligible to receive interest.

Sec. 96. Section 11, chapter 122, Laws of 1955 and RCW 33.48.100 are each amended to read as follows:

~~((Guaranty))~~ A domestic stock association((s)) may convert to a domestic mutual ((or federal savings and loan)) association((s or mutual savings banks)) under the provisions of applicable statutes and regulations of

proper federal and state supervisory authorities. In the event of compliance with such statutes and regulations an appraisal of the ((guaranty)) stock shall be made by the supervisor, upon written request of the directors of the association, and the appropriate value of the ((guaranty)) stock may be given consideration in the proceedings to convert by giving credit to such stock from surplus and other reserves.

Sec. 97. Section 12, chapter 122, Laws of 1955 and RCW 33.48.110 are each amended to read as follows:

Any mutual association, either ((state)) domestic or federal, operating in the state of Washington may convert itself into a ((guaranty)) domestic stock ((savings and loan)) association. ((Such)) The conversion shall be effected by the vote of two-thirds of the members present and voting in person or by proxy at any regular or special meeting of the members called for such purpose. Notice of such meeting, stating the purpose thereof, shall be given to the supervisor and to each member by mailing notice to ((his)) the member's last known address at least thirty days prior to the meeting.

At ((such)) the meeting, the members may adopt a resolution amending its articles of incorporation and bylaws to provide for operation under this chapter as a ((guaranty)) stock association.

Upon adoption of ((such)) the resolution, ((savings)) members shall be given notice of the proposed change and shall be offered, for a period of sixty days following the date of the meeting, the right to subscribe for the proposed ((guaranty)) stock ((at par)), pro rata to their ((savings)) deposits in such mutual association, and such right shall be transferable. ((The amount of such guaranty stock shall be as prescribed in this chapter.)) In the event that the total ((guaranty)) stock required has not, at the end of the sixty day period, been fully subscribed, the unsubscribed portion shall be offered to any former subscribers for such ((guaranty)) stock.

When the stock has been fully subscribed and paid for, certified copies of the documents relating to the conversion shall be submitted to the supervisor for his approval of the conversion proceedings. Upon notification by the supervisor that ((he)) the supervisor approves the conversion, the directors shall adopt a resolution declaring the association to be a ((guaranty)) stock association and thereafter it shall be such.

The supervisor shall adopt such rules under chapter 34.04 RCW, the administrative procedure act, as are necessary to implement this section in a manner which protects the relative interests of members, depositors, borrowers, stockholders, and creditors.

Sec. 98. Section 13, chapter 122, Laws of 1955 and RCW 33.48.120 are each amended to read as follows:

The accumulated surplus and unallocated reserves of an association at the time of conversion to a ((guaranty)) stock association shall be designated as a permanent loss reserve against which any losses incurred on assets may be charged. In case of liquidation the remaining sum in said permanent

loss reserve shall be distributed to the ~~((savings members))~~ depositors in proportion to the withdrawable value of their ~~((savings))~~ deposit accounts at the time of liquidation. In liquidation, after payment of all liabilities and the withdrawable value of all types and classes of ~~((savings))~~ deposit accounts together with the remainder in the permanent loss reserve heretofore mentioned, any excess shall be paid pro rata to the ~~((guaranty))~~ stockholders.

Sec. 99. Section 15, chapter 122, Laws of 1955 and RCW 33.48.140 are each amended to read as follows:

It is the intention of the legislature to grant, by this chapter, authority to create ~~((guaranty))~~ stock ~~((savings and loan))~~ associations in this state, by either organization or conversion under its provisions, and in the event of conflict between the provisions of this chapter and other provisions of Title 33 RCW, such other provisions shall be construed in favor of the accomplishment of the purposes of this chapter.

Sec. 100. Section 8, chapter 130, Laws of 1973 and RCW 33.48.170 are each amended to read as follows:

The supervisor may impose conditions in ~~((his))~~ the supervisor's organizing permit issued under RCW 33.48.150 concerning the deposit in escrow of funds collected pursuant to said permit, the manner of expenditure of such funds and such other conditions as he deems reasonable and necessary or advisable for the protection of the public and the subscribers to such stock or funds for preincorporation expenses.

Sec. 101. Section 5, chapter 130, Laws of 1973 and RCW 33.48.180 are each amended to read as follows:

No association shall sell, ~~((offer for sale, negotiate for the sale of,))~~ take subscriptions for, or issue any ~~((of its))~~ stock until the association applies for and secures from the supervisor a permit authorizing it to sell ~~((guaranty))~~ stock.

This section does not apply to an offering involving less than five hundred thousand dollars nor to an offering made under a registration statement filed under the federal securities act of 1933 (48 Stat. 74; 15 U.S.C. Sec. 77a).

Sec. 102. Section 10, chapter 130, Laws of 1973 and RCW 33.48.200 are each amended to read as follows:

An application for a permit to sell ~~((guaranty))~~ stock shall be in writing ~~((, verified as provided by law for the verification of pleadings))~~ and shall be filed in the office of the supervisor by the association ~~((or the selling stockholders)).~~

The application shall include the following:

- (1) Regarding the association:
  - (a) The names and addresses of its officers;
  - (b) The location of its office;

(c) An itemized account of its financial condition within ninety days of the filing date; and

(d) A copy of all minutes of any proceedings of its directors, shareholders, or stockholders relating to or affecting the issue of such stock;

(2) Regarding the offering:

(a) The names and addresses of the selling stockholders and of the officers of any selling corporation and the partners of any selling partnership;

(b) A copy of any contract concerning the sale of the stock;

(c) A copy of a prospectus or advertisement or other description of the stock prepared for distribution or publication in accordance with requirements prescribed by the supervisor;

(d) A brief description of the method by which the stock is to be offered for sale including the offering price and the underwriting commissions and expense, if any; and

(3) Such additional information as the supervisor may require.

Sec. 103. Section 11, chapter 130, Laws of 1973 and RCW 33.48.210 are each amended to read as follows:

Upon the filing of the application for a permit to sell ((guaranty)) stock, the supervisor shall examine the application and other papers and documents filed therewith and he may make a detailed examination, audit, and investigation of the association and its affairs. If the supervisor finds that the proposed plan for the issue and sale of such stock is fair, just and equitable, the supervisor shall issue to the applicant a permit authorizing it to issue and dispose of its stock in such amounts and for such considerations and upon such terms and conditions as the supervisor may provide in the permit. If the supervisor does not so find he shall deny the application and notify the applicant in writing of his decision.

Sec. 104. Section 12, chapter 130, Laws of 1973 and RCW 33.48.220 are each amended to read as follows:

Every permit to ((~~self-guaranty~~)) take subscriptions for stock shall recite in bold face type that the issuance thereof is permissive only and does not constitute a recommendation or endorsement of the stock permitted to be issued.

Sec. 105. Section 13, chapter 130, Laws of 1973 and RCW 33.48.230 are each amended to read as follows:

With respect to sales of ((guaranty)) stock by an association, the supervisor may impose conditions requiring the impoundment of the proceeds from the sale of ((guaranty)) stock, limiting the expense in connection with the sale of such stock, and other conditions as he deems reasonable and necessary or advisable to insure the disposition of the proceeds from the sale of such stock in the manner and for the purposes provided in the permit.

Sec. 106. Section 14, chapter 130, Laws of 1973 and RCW 33.48.240 are each amended to read as follows:



The supervisor may amend, alter, suspend, or revoke any permit issued ~~((to [by] him or temporarily suspend the rights of the association under such permit,))~~ under RCW 33.48.150 if there is a violation of the terms and conditions of the permit or if ~~((he))~~ the supervisor determines that the subscription or proposed issue and sale is no longer fair, just, and equitable.

Sec. 107. Section 15, chapter 130, Laws of 1973 and RCW 33.48.250 are each amended to read as follows:

An association may purchase stock issued by it in an amount not to exceed the amount of earned surplus or undivided profits available for dividends on its stock if either: the stock so purchased is included for federal estate tax purposes in determining the gross estate of a decedent, and the amount paid for such purchase is entitled to be treated under section 303 of the Internal Revenue Code of 1954 (68A Stat. 3; 26 U.S.C. Sec. 1), or other applicable federal statute or the corresponding provision of any future federal revenue law, as a distribution in full payment in exchange for the stock so purchased, or such purchase is with the prior consent of the supervisor. Stock so purchased until sold shall be carried as treasury stock. Upon the purchase of any stock issued by the association, an amount equal to the purchase price shall be set aside from earned surplus or undivided profits available for dividends to a specific reserve account established for this purpose. Upon sale of any of such stock, the amount relating thereto in the specific reserve account shall be returned to the surplus or undivided profits account (as the case may be) and shall be available for dividends. Reacquired stock shall not be resold at less than its reacquisition cost, without the specific approval of the supervisor, and shall not be resold or reissued except in accordance with RCW ~~((33.48.190))~~ 33.48.220 through 33.48.240.

Sec. 108. Section 16, chapter 130, Laws of 1973 and RCW 33.48.260 are each amended to read as follows:

With the prior consent of the supervisor, the ~~((guaranty))~~ stock of an association may be reduced by resolution of the board of directors approved by the vote or written consent of the holders of a majority in amount of the outstanding stock of ~~((such))~~ the association to such amount as the supervisor approves.

Sec. 109. Section 17, chapter 130, Laws of 1973 and RCW 33.48.270 are each amended to read as follows:

Any surplus resulting from reduction of stock shall not be available for dividends or other distribution to stockholders ~~((or shareholders))~~ except upon liquidation.

Sec. 110. Section 18, chapter 130, Laws of 1973 and RCW 33.48.280 are each amended to read as follows:

An association may, by action of its board of directors and with the prior approval of the supervisor, apply any part or all of any paid-in or contributed surplus or any surplus created by reduction of stock to the reduction or writing off of any deficit arising from losses or diminution in value of its assets, or may transfer to or designate as a part of its federal insurance ((~~reserve~~)) account or any other reserve account irrevocably established for the sole purpose of absorbing losses, any part or all of any paid-in or contributed surplus or any surplus created by reduction of stock.

Sec. 111. Section 19, chapter 130, Laws of 1973 and RCW 33.48.290 are each amended to read as follows:

RCW 33.48.150 through ((~~33.48.290 shall~~)) 33.48.280 do not apply to foreign associations doing business in this state pursuant to the provisions of chapter 33.32 RCW.

**NEW SECTION.** Sec. 112. There is added to chapter 33.48 RCW a new section to read as follows:

If, in the opinion of the supervisor, it is necessary for any of the requirements of this chapter to be waived in order to permit an association which is in danger of failing to convert its charter from a mutual association to a stock association or from a stock association to a mutual association so that the association may be acquired by an association or a savings and loan holding company, then the supervisor may waive any such requirement.

Sec. 113. Section 43.19.100, chapter 8, Laws of 1965 as amended by section 2, chapter 185, Laws of 1977 ex. sess. and RCW 43.19.100 are each amended to read as follows:

The director of general administration((;)) shall appoint and deputize an assistant director to be known as the supervisor of savings and loan associations, who shall have charge and supervision of the division of savings and loan associations.

With the approval of the director, he may appoint and employ such assistants and personnel as may be necessary to carry on the work of the division.

No person shall be eligible for appointment as supervisor of savings and loan associations unless he is, and, for at least two years prior to ((his)) appointment has been, a citizen of the United States and a resident of this state((; and has had at least two years' practical experience in savings and loan employment, examination, or supervision)). If the appointee is, at the time of appointment, a director, officer, or stockholder of an association or credit union, the appointee shall resign as such director or officer, or dispose of the stock prior to assuming office as supervisor.

In the event of the supervisor's absence the director of general administration shall have the power to deputize one of the assistants of the supervisor to perform day to day functions that are performed by the supervisor so

long as the supervisor is absent: PROVIDED, That such deputized supervisor shall not have the power to approve or disapprove new charters, branches, or satellite facilities. Any person so deputized shall possess the same qualifications as those set out in this section for the supervisor.

**NEW SECTION.** Sec. 114. (1) There is hereby created the joint committee on financial institutions to conduct a comprehensive examination of the present system of regulating and chartering financial institutions in this state. The committee shall be bipartisan in nature and shall be composed of four senators appointed by the president of the senate and four representatives appointed by the speaker of the house of representatives. The committee may appoint up to seven nonlegislators representing various interested parties to serve as ex officio, nonvoting members.

(2) In conducting its study, the committee shall consider, but not be limited to, the following areas:

(a) The necessity for limiting the scope of various deposit-taking financial institutions;

(b) The necessity for limiting the powers of financial institutions to restrict them to what their federally chartered counterparts may do;

(c) The appropriateness of expanding the geographical limits placed on institutions; and

(d) The appropriateness of having different regulators within different agencies and elected positions regulate the varied financial corporations.

(3) The committee shall hold meetings and hearings at the times and places it designates to accomplish the purposes of this section. It shall make use of existing legislative facilities and the staff of the house of representatives and the senate. The committee shall have authority to contract for expert services and opinions relevant to its study.

(4) The committee shall report its initial findings and recommendations to the legislature no later than January 1, 1983. A final report shall be submitted to the legislature no later than January 1, 1984.

(5) The committee shall cease to exist on July 1, 1984, unless extended by law for an additional fixed period of time.

**NEW SECTION.** Sec. 115. The following acts or parts of acts are each repealed:

- (1) Section 97, chapter 235, Laws of 1945 and RCW 33.04.040;
- (2) Section 101, chapter 235, Laws of 1945 and RCW 33.04.050;
- (3) Section 8, chapter 280, Laws of 1959 and RCW 33.08.120;
- (4) Section 31, chapter 235, Laws of 1945 and RCW 33.12.030;
- (5) Section 33, chapter 235, Laws of 1945 and RCW 33.12.040;
- (6) Section 34, chapter 235, Laws of 1945, section 1, chapter 222, Laws of 1961 and RCW 33.12.050;
- (7) Section 36, chapter 235, Laws of 1945 and RCW 33.12.070;
- (8) Section 37, chapter 235, Laws of 1945 and RCW 33.12.080;

(9) Section 49, chapter 235, Laws of 1945, section 3, chapter 71, Laws of 1953, section 3, chapter 246, Laws of 1963, section 2, chapter 49, Laws of 1967 and RCW 33.12.090;

(10) Section 55, chapter 235, Laws of 1945 and RCW 33.12.110;

(11) Section 56, chapter 235, Laws of 1945 and RCW 33.12.120;

(12) Section 57, chapter 235, Laws of 1945, section 5, chapter 20, Laws of 1949, section 2, chapter 280, Laws of 1959, section 3, chapter 222, Laws of 1961, section 3, chapter 49, Laws of 1967 and RCW 33.12.130;

(13) Section 52, chapter 235, Laws of 1945, section 4, chapter 257, Laws of 1947, section 4, chapter 20, Laws of 1949 and RCW 33.12.160;

(14) Section 21, chapter 235, Laws of 1945 and RCW 33.16.070;

(15) Section 24, chapter 235, Laws of 1945 and RCW 33.16.100;

(16) Section 25, chapter 235, Laws of 1945, section 25, chapter 130, Laws of 1973, section 2, chapter 165, Laws of 1975 1st ex. sess. and RCW 33.16.110;

(17) Section 18, chapter 235, Laws of 1945 and RCW 33.16.140; and

(18) Section 26, chapter 235, Laws of 1945, section 2, chapter 257, Laws of 1947 and RCW 33.16.160.

NEW SECTION. Sec. 116. The following acts or parts of acts are each repealed:

(1) Section 32, chapter 235, Laws of 1945 and RCW 33.20.020;

(2) Section 39, chapter 235, Laws of 1945 and RCW 33.20.090;

(3) Section 42, chapter 235, Laws of 1945 and RCW 33.20.100;

(4) Section 47, chapter 235, Laws of 1945 and RCW 33.20.110;

(5) Section 48, chapter 235, Laws of 1945 and RCW 33.20.120;

(6) Section 3, chapter 126, Laws of 1955 and RCW 33.24.095;

(7) Section 68, chapter 235, Laws of 1945, section 7, chapter 257, Laws of 1947 and RCW 33.24.110;

(8) Section 69, chapter 235, Laws of 1945, section 7, chapter 20, Laws of 1949, section 4, chapter 280, Laws of 1959, section 26, chapter 130, Laws of 1973, section 8, chapter 113, Laws of 1979 and RCW 33.24.120;

(9) Section 70, chapter 235, Laws of 1945, section 4, chapter 49, Laws of 1967 and RCW 33.24.130;

(10) Section 16, chapter 113, Laws of 1979 and RCW 33.24.135;

(11) Section 71, chapter 235, Laws of 1945, section 9, chapter 71, Laws of 1953 and RCW 33.24.140;

(12) Section 15, chapter 113, Laws of 1979 and RCW 33.24.145;

(13) Section 72, chapter 235, Laws of 1945, section 5, chapter 280, Laws of 1959, section 5, chapter 49, Laws of 1967 and RCW 33.24.150;

(14) Section 74, chapter 235, Laws of 1945, section 8, chapter 20, Laws of 1949, section 6, chapter 280, Laws of 1959, section 9, chapter 113, Laws of 1979 and RCW 33.24.170;

(15) Section 75, chapter 235, Laws of 1945 and RCW 33.24.180;

(16) Section 7, chapter 49, Laws of 1967, section 24, chapter 130, Laws of 1973, section 10, chapter 113, Laws of 1979 and RCW 33.24.230;

(17) Section 8, chapter 49, Laws of 1967, section 11, chapter 113, Laws of 1979 and RCW 33.24.240;

(18) Section 11, chapter 107, Laws of 1969 and RCW 33.24.250;

(19) Section 12, chapter 107, Laws of 1969 and RCW 33.24.260;

(20) Section 14, chapter 107, Laws of 1969, section 31, chapter 130, Laws of 1973, section 3, chapter 165, Laws of 1975 1st ex. sess. and RCW 33.24.280; and

(21) Section 15, chapter 107, Laws of 1969, section 1, chapter 42, Laws of 1972 ex. sess. and RCW 33.24.290.

NEW SECTION. Sec. 117. The following acts or parts of acts are each repealed:

(1) Section 78, chapter 235, Laws of 1945 and RCW 33.28.030;

(2) Section 80, chapter 235, Laws of 1945, section 8, chapter 246, Laws of 1963 and RCW 33.32.010;

(3) Section 83, chapter 235, Laws of 1945, section 5, chapter 222, Laws of 1961 and RCW 33.32.040;

(4) Section 110, chapter 235, Laws of 1945 and RCW 33.40.090;

(5) Section 111, chapter 235, Laws of 1945 and RCW 33.40.100;

(6) Section 4, chapter 154, Laws of 1917 and RCW 33.44.010;

(7) Section 2, chapter 122, Laws of 1955 and RCW 33.48.010;

(8) Section 3, chapter 122, Laws of 1955 and RCW 33.48.020;

(9) Section 6, chapter 122, Laws of 1955 and RCW 33.48.050;

(10) Section 7, chapter 122, Laws of 1955 and RCW 33.48.060; and

(11) Section 8, chapter 122, Laws of 1955 and RCW 33.48.070.

NEW SECTION. Sec. 118. 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 the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 119. 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.

Passed the House February 11, 1982.

Passed the Senate February 24, 1982.

Approved by the Governor February 25, 1982.

Filed in Office of Secretary of State February 25, 1982.