

CHAPTER 239

[Substitute Senate Bill No. 3602]
SAVINGS AND LOAN ASSOCIATIONS

AN ACT Relating to savings and loan associations; amending RCW 33.12.060 and 33.48.250; and adding a new section to chapter 33.40 RCW.

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

Sec. 1. Section 35, chapter 235, Laws of 1945 as last amended by section 25, chapter 3, Laws of 1982 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:

(a) Any director, officer, agent, or employee of an association ((or to or from));

(b) Any former director or incorporator of the association within one year of the termination of the relationship without the prior written approval of the supervisor;

(c) Any party involved, either directly or indirectly, in a stock tender offer for acquisition of the association, as determined by the supervisor, without the prior written approval of the supervisor; or

(d) Any public officer or public employee whose duties have to do with the supervision, regulation, or insurance of the association or its savings accounts.

(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;

(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;

(e) Loans made to directors, officers, or employees of the association for the payment of expenses of vocational training or college or university education; nor to

(f) Any other loans made to directors, officers, or employees of the association: 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 is owned by any one director, officer, agent, or employee of the association or twenty-five percent of which is owned by any combination of directors, officers, agents, or employees of the association 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.

NEW SECTION. Sec. 2. A new section is added to chapter 33.40 RCW to read as follows:

(1) The supervisor of savings and loans, after exercising the authority granted in RCW 33.16.040, may appoint provisional officers and directors, in whole or in part, of an association.

(2) Notice of the appointment shall be served upon the association, and the appointment shall take effect immediately and shall remain in effect until a successor is chosen in accordance with the association's bylaws.

Sec. 3. Section 15, chapter 130, Laws of 1973 as amended by section 107, chapter 3, Laws of 1982 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, or such purchase is pursuant to a put option contained in a plan which has been approved by the supervisor establishing an employee stock

ownership plan for the association and its employees pursuant to the provisions of the act of congress entitled "Employee Retirement Income Security Act of 1974", as now constituted or hereafter amended, or Section 409 of the Internal Revenue Code of 1954, as now constituted or hereafter amended. 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 33.48.220 through 33.48.240.

Passed the Senate March 11, 1985.

Passed the House April 15, 1985.

Approved by the Governor May 10, 1985.

Filed in Office of Secretary of State May 10, 1985.

CHAPTER 240

[Engrossed Senate Bill No. 3374]

ATTORNEY FEES

AN ACT Relating to attorney fees; and amending RCW 4.84.080 and 12.20.060.

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

Sec. 1. Section 374, page 202, Laws of 1854 as last amended by section 3, chapter 331, Laws of 1981 and RCW 4.84.080 are each amended to read as follows:

When allowed to either party, costs to be called the attorney fee, shall be as follows:

(1) In all actions where judgment is rendered, one hundred twenty-five dollars.

(2) In all actions where judgment is rendered in the supreme court or the court of appeals, after argument, one hundred twenty-five dollars.

Sec. 2. Section 85, page 237, Laws of 1854 as last amended by section 89, chapter 258, Laws of 1984 and RCW 12.20.060 are each amended to read as follows:

When the prevailing party in district court is entitled to recover costs as authorized in RCW 4.84.010 in a civil action, the judge shall add the amount thereof to the judgment; in case of failure of the plaintiff to recover or of dismissal of the action, the judge shall enter up a judgment in favor of the defendant for the amount of his costs; and in case any party so entitled to costs is represented in the action by an attorney, the judge shall include