

(3) The grant of any such professional leave shall be contingent upon a signed contractual agreement between the respective governing board and the recipient providing that the recipient shall return to the granting institution or district following his or her completion of such leave and serve in a professional status for a period commensurate with the amount of leave so granted. Failure to comply with the provisions of such signed agreement shall constitute an obligation of the recipient to repay to the institution any remuneration received from the institution during the leave.

(4) The aggregate cost of remunerated professional leaves awarded at the institution or district during any year, including the cost of replacement personnel, shall not exceed the cost of salaries which otherwise would have been paid to personnel on leaves: PROVIDED, That for community college districts the aggregate cost shall not exceed one hundred fifty percent of the cost of salaries which would have otherwise been paid to personnel on leaves: PROVIDED FURTHER, That this subsection shall not apply to any community college district with fewer than seventy-five full time faculty members and granting fewer than three individuals such leaves in any given year.

(5) The average number of annual remunerated professional leaves awarded at any such institution or district shall not exceed four percent of the total number of full time equivalent faculty, as defined by the office of financial management, who are engaged in instruction, and exempt staff as defined in RCW 28B.16.040.

(6) Negotiated agreements made in accordance with chapter 28B.52 RCW and entered into after July 1, 1977, shall be in conformance with the provisions of this section.

(7) The respective institutions and districts shall annually report to the council for postsecondary education such information as the council deems necessary to determine compliance with the provisions of this section and the council for postsecondary education shall periodically report such information to the legislature.

Passed the House February 22, 1979.

Passed the Senate March 2, 1979.

Approved by the Governor March 19, 1979.

Filed in Office of Secretary of State March 19, 1979.

CHAPTER 45

[House Bill No. 808]

BANKS AND TRUST COMPANIES—TRUST SECURITIES CUSTODY

AN ACT Relating to corporations doing a trust business; and amending section 30.04.240, chapter 33, Laws of 1955 as amended by section 1, chapter 99, Laws of 1973 and RCW 30.04.240.

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

Section 1. Section 30.04.240, chapter 33, Laws of 1955 as amended by section 1, chapter 99, Laws of 1973 and RCW 30.04.240 are each amended to read as follows:

(1) Every corporation doing a trust business shall maintain in its office a trust department in which it shall keep books and accounts of its trust business, separate and apart from its other business. Such books and accounts shall specify the cash, securities and other properties, real and personal, held in each trust, and such securities and properties shall be at all times segregated from all other securities and properties except as otherwise provided in this section. ~~((Such corporation shall also cause each bond, warrant, note, mortgage, deed or other security of any nature to be labeled to indicate the trust to which it belongs.))~~ Any person connected with a bank or trust company who shall, contrary to this section or any other provision of law, commingle any funds or securities of any kind held by such corporation in trust, for safekeeping or as agent for another, with the funds or assets of the corporation shall be guilty of a felony.

(2) Notwithstanding any other provisions of law, any fiduciary holding securities in its fiduciary capacity~~((;))~~ or any state bank, national bank, or trust company holding securities as ~~((a custodian or managing agent and any state bank, national bank, or trust company holding securities))~~ fiduciary or as custodian for a fiduciary is authorized to deposit or arrange for the deposit of such securities: (a) In a clearing corporation (as defined in Article 8 of the Uniform Commercial Code, chapter 62A.8 RCW); (b) within another state bank, national bank, or trust company having trust power whether located inside or outside of this state; or (c) within itself. When such securities are so deposited, certificates representing securities of the same class of the same issuer may be merged and held in bulk in the name of the nominee of such clearing corporation or state bank, national bank, or trust company holding the securities as the depository, with any other such securities deposited in such clearing corporation or depository by any person, regardless of the ownership of such securities, and certificates of small denomination may be merged into one or more certificates of larger denomination. The records of such fiduciary and the records of such state bank, national bank, or trust company ~~((acting as custodian, as managing agent,))~~ as a fiduciary or as custodian for a fiduciary shall at all times show the name of the party for whose account the securities are so deposited. Ownership of, and other interests in, such securities ~~((any {may}))~~ may be transferred by bookkeeping ~~((entry))~~ entries on the books of such clearing corporation, state bank, national bank, or trust company without physical delivery or alteration of certificates representing such securities. A state bank, national bank, or trust company so depositing securities pursuant to this section shall be subject to such rules and regulations as, in the case of state chartered banks and trust companies, the supervisor of banking and, in the case of national banking associations, the comptroller of the currency

may from time to time issue. A state bank, national bank, or trust company acting as custodian for a fiduciary shall, on demand by the fiduciary, certify in writing to the fiduciary the securities so deposited by such state bank, national bank, or trust company in such clearing corporation or state bank, national bank, or trust company acting as such depository for the account of such fiduciary. A fiduciary shall, on demand by any party to a judicial proceeding for the settlement of such fiduciary's account or on demand by the attorney for such party, certify in writing to such party the securities deposited by such fiduciary in such clearing corporation or state bank, national bank, or trust company acting as such depository for its account as such fiduciary.

This subsection shall apply to any fiduciary holding securities in its fiduciary capacity, and to any state bank, national bank, or trust company holding securities as a custodian, managing agent, or custodian for a fiduciary, acting on March 14, 1973 or who thereafter may act regardless of the date of the agreement, instrument, or court order by which it is appointed and regardless of whether or not such fiduciary, custodian, managing agent, or custodian for a fiduciary owns capital stock of such clearing corporation.

Passed the House February 21, 1979.

Passed the Senate March 2, 1979.

Approved by the Governor March 19, 1979.

Filed in Office of Secretary of State March 19, 1979.

CHAPTER 46

[House Bill No. 806]

MUTUAL SAVINGS BANKS—UNSAFE, ILLEGAL PRACTICES—CEASE AND DESIST ORDERS—PENALTIES

AN ACT Relating to mutual savings banks; amending section 32.16.090, chapter 13, Laws of 1955 and RCW 32.16.090; adding new sections to chapter 32.04 RCW; adding new sections to chapter 32.16 RCW; and prescribing penalties.

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

NEW SECTION. Section 1. There is added to chapter 32.04 RCW a new section to read as follows:

(1) The supervisor may issue and serve upon a mutual savings bank a notice of charges if in the opinion of the supervisor any mutual savings bank:

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

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