

benefit of its employees and may pay all or any part of the cost thereof(~~(: PROVIDED, That term life insurance shall be limited to five thousand dollars coverage or ten thousand dollars for a double indemnity death benefit)~~). Any two or more water districts or any one or more water districts and one or more sewer districts, by a majority vote of their respective boards of commissioners, may, if deemed expedient, join in the procuring of such health care services and/or group insurance and/or term life insurance, and the board of commissioners of each participating sewer and/or water district may by appropriate resolution authorize their respective district to pay all or any portion of the cost thereof.

Passed the Senate March 24, 1981.

Passed the House April 16, 1981.

Approved by the Governor May 14, 1981.

Filed in Office of Secretary of State May 14, 1981.

CHAPTER 191

[Senate Bill No. 3153]

CITIES AND TOWNS—NEEDY PERSON RELIEF PROGRAMS

AN ACT Relating to cities and towns; and amending section 74.04.040, chapter 26, Laws of 1959 and RCW 74.04.040.

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

Section 1. Section 74.04.040, chapter 26, Laws of 1959 and RCW 74.04.040 are each amended to read as follows:

The care, support, and relief of needy persons is hereby declared to be a joint federal, state, and county function. County offices are charged with the responsibility((:)) for the administration of public assistance within the respective county or counties or parts thereof as local offices of the department as prescribed by the rules and regulations of the department.

Whenever a city or town establishes a program or policy for the care, support, and relief of needy persons it shall provide notice of the program or policy to the county or counties within which the city or town is located.

Passed by the Senate March 10, 1981.

Passed by the House April 22, 1981.

Approved by the Governor May 14, 1981.

Filed in Office of Secretary of State May 14, 1981.

CHAPTER 192

[Substitute Senate Bill No. 3154]

FINANCIAL INSTITUTION INDIVIDUAL ACCOUNT DEPOSIT ACT

AN ACT Relating to financial institutions and deposits of individuals therewith; amending section 4, chapter 280, Laws of 1961 as amended by section 1, chapter 143, Laws of 1979 and RCW 30.20.090; amending section 10, chapter 173, Laws of 1933 as amended by

section 9, chapter 131, Laws of 1943 and RCW 31.12.140; amending section 32.12.010, chapter 13, Laws of 1955 as last amended by section 1, chapter 145, Laws of 1967 and RCW 32.12.010; amending section 32.12.020, chapter 13, Laws of 1955 as last amended by section 40, chapter 117, Laws of 1974 ex. sess. and RCW 32.12.020; amending section 41, chapter 235, Laws of 1945 and RCW 33.20.040; amending section 13, chapter 176, Laws of 1963 and RCW 32.12.120; adding a new chapter to Title 30 RCW; adding a new section to chapter 30.20 RCW; adding a new section to chapter 31.12 RCW; adding a new section to chapter 33.20 RCW; repealing section 30.20.010, chapter 33, Laws of 1955 and RCW 30.20.010; repealing section 30.20.015, chapter 33, Laws of 1955, section 6, chapter 280, Laws of 1961, section 5, chapter 133, Laws of 1967 and RCW 30.20.015; repealing section 30.20.020, chapter 33, Laws of 1955, section 2, chapter 280, Laws of 1961, section 39, chapter 117, Laws of 1974 ex. sess., section 28, chapter 234, Laws of 1977 ex. sess. and RCW 30.20.020; repealing section 30.20.030, chapter 33, Laws of 1955, section 49, chapter 154, Laws of 1973 1st ex. sess. and RCW 30.20.030; repealing section 1, chapter 347, Laws of 1955 and RCW 30.20.035; repealing section 5, chapter 280, Laws of 1961, section 19, chapter 278, Laws of 1975 1st ex. sess. and RCW 30.20.100; repealing section 32.12.030, chapter 13, Laws of 1955, section 7, chapter 280, Laws of 1961, section 4, chapter 176, Laws of 1963 and RCW 32.12.030; repealing section 12, chapter 176, Laws of 1963, section 20, chapter 278, Laws of 1975 1st ex. sess. and RCW 32.12.110; repealing section 40, chapter 235, Laws of 1945 and RCW 33.20.030; repealing section 1, chapter 165, Laws of 1975 1st ex. sess., section 3, chapter 107, Laws of 1979 and RCW 33.20.035; repealing section 43, chapter 235, Laws of 1945, section 50, chapter 154, Laws of 1973 1st ex. sess. and RCW 33.20.050; repealing section 45, chapter 235, Laws of 1945 and RCW 33.20.070; repealing section 46, chapter 235, Laws of 1945, section 6, chapter 246, Laws of 1963, section 41, chapter 117, Laws of 1974 ex. sess. and RCW 33.20.080; and providing an effective date.

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

NEW SECTION. Section 1. SHORT TITLE. This chapter shall be known and may be cited as the financial institution individual account deposit act.

NEW SECTION. Sec. 2. PURPOSES. The purposes of this chapter are:

- (1) To provide a consistent law applicable to all financial institutions authorized to accept deposits from individuals with respect to payments by the institutions to individuals claiming rights to the deposited funds; and
- (2) To qualify and simplify the law concerning the respective ownership interests of individuals to funds held on deposit by financial institutions, both as to the relationship between the individual depositors and beneficiaries of an account, and to the financial institution–depositor–beneficiary relationships; and
- (3) To simplify and make consistent the law pertaining to payments by financial institutions of deposited funds both before and after the death of a depositor or depositors, including provisions for the validity and effect of certain nontestamentary transfers of deposits upon the death of one or more depositors.

NEW SECTION. Sec. 3. CONSTRUCTION. When construing sections and provisions of this chapter, the sections and provisions shall:

- (1) Be liberally construed and applied to promote the purposes of the chapter; and

(2) Be considered part of a general act which is intended as unified coverage of the subject matter, and no part of the chapter shall be deemed impliedly repealed by subsequent legislation if such construction can be reasonably avoided; and

(3) Not be held invalid because of the invalidity of other sections or provisions of the chapter as long as the section or provision in question can be given effect without regard to the invalid section or provision, and to this end the sections and provisions of this chapter are declared to be severable; and

(4) Not be construed by reference to section or subsection headings as used in the chapter since these do not constitute any part of the law; and

(5) Not be deemed to alter the community or separate property nature of any funds held on deposit by a financial institution or any individual's community or separate property rights thereto, and a depositor's community and/or separate property rights to funds on deposit shall not be affected by the form of the account; and

(6) Not be construed as authorizing or extending the authority of any financial institution to accept deposits or to permit a financial institution to accept deposits from such persons or entities or upon such terms as would contravene any other applicable federal or state law.

NEW SECTION. Sec. 4. DEFINITIONS. Unless the context of this chapter otherwise requires, the terms contained in this section have the meanings indicated.

(1) "Account" means a contract of deposit between a depositor or depositors and a financial institution; the term includes a checking account, savings account, certificate of deposit, savings certificate, share account, savings bond, and other like arrangements.

(2) "Actual knowledge" means written notice to a manager of a branch of a financial institution, or an officer of the financial institution in the course of his employment at the branch, pertaining to funds held on deposit in an account maintained by the branch received within a period of time which affords the financial institution a reasonable opportunity to act upon the knowledge.

(3) "Individual" means a human being; "person" includes an individual, corporation, partnership, limited partnership, joint venture, trust, or other entity recognized by law to have separate legal powers.

(4) "Agent" means a person designated by a depositor or depositors in a contract of deposit or other document to have the authority to deposit and to make payments from an account in the name of the depositor or depositors.

(5) "Agency account" means an account to which funds may be deposited and from which payments may be made by an agent designated by a depositor. In the event there is more than one depositor named on an account, each depositor may designate the same or a different agent for the

purpose of depositing to or making payments of funds from a depositor's account.

(6) "Single account" means an account in the name of one depositor only.

(7) "Joint account without right of survivorship" means an account in the name of two or more depositors and which contains no provision that the funds of a deceased depositor become the property of the surviving depositor or depositors.

(8) "Joint account with right of survivorship" means an account in the name of two or more depositors and which provides that the funds of a deceased depositor become the property of one or more of the surviving depositors.

(9) "Trust and P.O.D. accounts" means accounts payable on request to a depositor during the depositor's lifetime, and upon the depositor's death to one or more designated beneficiaries, or which are payable to two or more depositors during their lifetimes, and upon the death of all depositors to one or more designated beneficiaries. The term "trust account" does not include deposits by trustees or other fiduciaries where the trust or fiduciary relationship is established other than by a contract of deposit with a financial institution.

(10) "Trust or P.O.D. account beneficiary" means a person or persons, other than a codepositor, who has or have been designated by a depositor or depositors to receive the depositor's funds remaining in an account upon the death of a depositor or all depositors.

(11) "Depositor", when utilized in determining the rights of individuals to funds in an account, means an individual who owns the funds. When utilized in determining the rights of a financial institution to make or withhold payment, and/or to take any other action with regard to funds held under a contract of deposit, "depositor" means the individual or individuals who have the current right to payment of funds held under the contract of deposit without regard to the actual rights of ownership thereof by these individuals. A trust or P.O.D. account beneficiary becomes a depositor only when the account becomes payable to the beneficiary by reason of having survived the depositor or depositors named on the account, depending upon the provisions of the contract of deposit.

(12) "Financial institution" means a bank, trust company, mutual savings bank, savings and loan association, or credit union authorized to do business and accept deposits in this state under state or federal law.

(13) "Depositor's funds" or "funds of a depositor" means the amount of all deposits belonging to or made for the benefit of a depositor, less all withdrawals of the funds by the depositor or by others for the depositor's benefit, plus the depositor's prorated share of any interest or dividends included in the current balance of the account and any proceeds of deposit life insurance added to the account by reason of the death of a depositor.

(14) "Payment(s)" of sums on deposit includes withdrawal, payment by check or other directive of a depositor or his agent, any pledge of sums on deposit by a depositor or his agent, any set-off or reduction or other disposition of all or part of an account balance, and any payments to any person under sections 12, 14, 15, 16, 17, 18, 19, 20, and 22 of this act.

(15) "Proof of death" means a certified or authenticated copy of a death certificate, or photostatic copy thereof, purporting to be issued by an official or agency of the jurisdiction where the death purportedly occurred, or a certified or authenticated copy of a record or report of a governmental agency, domestic or foreign, that a person is dead. In either case, the proofs constitute prima facie proof of the fact, place, date, and time of death, and identity of the decedent and the status of the dates, circumstances, and places disclosed by the record or report.

(16) "Request" means a request for withdrawal, or a check or order for payment, which complies with all conditions of the account, including special requirements concerning necessary signatures and regulations of the financial institution; but if the financial institution conditions withdrawal or payment on advance notice, for purposes of this chapter the request for withdrawal or payment is treated as immediately effective and a notice of intent to withdraw is treated as a request for withdrawal.

(17) "Withdrawal" means payment to a person pursuant to check or other directive of a depositor.

NEW SECTION. Sec. 5. TYPES OF ACCOUNTS WHICH FINANCIAL INSTITUTION MAY ESTABLISH. The types of accounts in which funds may be deposited with a financial institution include, but are not limited to, the following:

- (1) A single account;
- (2) A joint account without right of survivorship;
- (3) A joint account with right of survivorship;
- (4) An agency account;
- (5) A trust or P.O.D. account; and
- (6) Any compatible combination of the foregoing.

In each case, the type of account shall be determined by the terms of the contract of deposit between the depositor and the financial institution. The financial institution shall describe to a potential depositor the various types of accounts available.

NEW SECTION. Sec. 6. REQUIREMENTS OF CONTRACT OF DEPOSIT. The contract of deposit shall be in writing and signed by all individuals who have a current right to payment of funds from an account. The designation of an agent, or trust or P.O.D. account beneficiary by a depositor of a joint account without right of survivorship, or the designation of an agent by a depositor of a joint account with right of survivorship or by a depositor of a trust or P.O.D. account does not require the signature of a

codepositor. A financial institution may insert such additional terms and conditions in a contract of deposit as it deems appropriate.

NEW SECTION. Sec. 7. ACCOUNTS OF MINORS AND INCOMPETENTS. A minor or incompetent may enter into a valid and enforceable contract of deposit with the financial institution and any account in the name of a minor or incompetent shall, in the absence of clear and convincing evidence of a different intention at the time it is created, be held for the exclusive right and benefit of the minor or incompetent free from the control of all other persons.

NEW SECTION. Sec. 8. ACCOUNTS OF MARRIED PERSONS. A financial institution may enter into a contract of deposit without regard to whether the depositor is married and without regard as to whether the funds on deposit are the community or separate property of the depositor.

NEW SECTION. Sec. 9. OWNERSHIP OF FUNDS DURING LIFETIME OF DEPOSITOR. Subject to community property rights, during the lifetime of a depositor, or the joint lifetimes of depositors:

(1) Funds on deposit in a single account belong to the depositor.

(2) Funds on deposit in a joint account without right of survivorship and in a joint account with right of survivorship belong to the depositors in proportion to the net funds owned by each depositor on deposit in the account, unless the contract of deposit provides otherwise or there is clear and convincing evidence of a contrary intent at the time the account was created.

(3) Funds on deposit in a trust or P.O.D. account belong to the depositor and not to the trust or P.O.D. account beneficiary or beneficiaries; if two or more depositors are named on the trust or P.O.D. account, their rights of ownership to the funds on deposit in the account are governed by subsection (2) of this section.

(4) Ownership of funds on deposit in an agency account shall be determined in accordance with subsections (1), (2), and (3) of this section depending upon whether the principal is a depositor on a single account, joint account, joint account with right of survivorship, or trust or P.O.D. account.

NEW SECTION. Sec. 10. OWNERSHIP OF FUNDS AFTER DEATH OF A DEPOSITOR. Subject to community property rights and subject to the terms and provisions of any community property agreement, upon the death of a depositor:

(1) Funds which remain on deposit in a single account belong to the depositor's estate.

(2) Funds belonging to a deceased depositor which remain on deposit in a joint account without right of survivorship belong to the depositor's estate, unless the depositor has also designated a trust or P.O.D. account beneficiary of the depositor's interest in the account.

(3) Funds belonging to a deceased depositor which remain on deposit in a joint account with right of survivorship belong to the surviving depositors

unless there is clear and convincing evidence of a contrary intent at the time the account was created. If there is more than one individual having right of survivorship, the funds belong equally to the surviving depositors unless the contract of deposit otherwise provides. If there is more than one surviving depositor, the rights of survivorship shall continue between the surviving depositors.

(4) Funds remaining on deposit in a trust or P.O.D. account belong to the trust or P.O.D. account beneficiary designated by the deceased depositor unless the account has also been designated as a joint account with right of survivorship, in which event the funds remaining on deposit in the account do not belong to the trust or P.O.D. account beneficiary until the death of the last surviving depositor and the rights of the surviving depositors shall be determined by subsection (3) of this section. If the deceased depositor has designated more than one trust or P.O.D. account beneficiary, and more than one of the beneficiaries survive the depositor, the funds belong equally to the surviving beneficiaries unless the depositor has specifically designated a different method of distribution in the contract of deposit; if two or more beneficiaries survive, there is no right of survivorship as between them unless the terms of the account or deposit agreement expressly provide for rights of survivorship between the beneficiaries.

(5) Upon the death of a depositor of an agency account, the agency shall terminate and any funds remaining on deposit belonging to the deceased depositor shall become the property of the depositor's estate or such other persons who may be entitled thereto, depending upon whether the account was a single account, joint account, joint account with right of survivorship, or a trust or P.O.D. account.

Any transfers to surviving depositors or to trust or P.O.D. account beneficiaries pursuant to the terms of this section are declared to be effective by reason of the provisions of the account contracts involved and this chapter and are not to be considered as testamentary dispositions. The rights of survivorship and of trust and P.O.D. account beneficiaries arise from the express terms of the contract of deposit and cannot, under any circumstances, be changed by the will of a depositor.

NEW SECTION. Sec. 11. CONTROVERSIES BETWEEN OWNERS. Sections 9 and 10 of this act are intended to establish ownership of funds on deposit in the accounts stated, as between depositors and/or trust or P.O.D. account beneficiaries, and the provisions thereof are relevant only as to controversies between such persons and their creditors, and other successors, and have no bearing on the power of any person to receive payment of funds maintained in the accounts or the right of a financial institution to make payments to any person as provided by the terms of the contract of deposit.

NEW SECTION. Sec. 12. RIGHT TO RELY ON FORM OF ACCOUNT—DISCHARGE OF FINANCIAL INSTITUTIONS. In making payments of funds deposited in an account, a financial institution may rely conclusively and entirely upon the form of the account and the terms of the contract of deposit at the time the payments are made. A financial institution is not required to inquire as to either the source or the ownership of any funds received for deposit to an account, or to the proposed application of any payments made from an account. Unless a financial institution has actual knowledge of the existence of dispute between depositors, beneficiaries, or other persons claiming an interest in funds deposited in an account, all payments made by a financial institution from an account at the request of any depositor to the account and/or the agent of any depositor to the account in accordance with this section and sections 14, 15, 16, 17, 18, 19, 20, and 22 of this act shall constitute a complete release and discharge of the financial institution from all claims for the amounts so paid regardless of whether or not the payment is consistent with the actual ownership of the funds deposited in an account by a depositor and/or the actual ownership of the funds as between depositors and/or the beneficiaries of P.O.D. and trust accounts, and/or their heirs, successors, personal representatives, and assigns.

NEW SECTION. Sec. 13. RIGHTS AS BETWEEN INDIVIDUALS PRESERVED. The protection accorded to financial institutions under sections 12, 14, 15, 16, 17, 18, 19, 20, 21, and 22 of this act shall have no bearing on the actual rights of ownership to deposited funds by a depositor, and/or between depositors, and/or by and between beneficiaries of trust and P.O.D. accounts, and their heirs, successors, personal representatives, and assigns.

NEW SECTION. Sec. 14. PAYMENT OF FUNDS TO A DEPOSITOR. Payments of funds on deposit in a single account may be made by a financial institution to or for the depositor regardless of whether the depositor is, in fact, the actual owner of the funds. Payments of funds on deposit in an account having two or more depositors may be made by a financial institution to or for any one or more of the depositors named on the account without regard to the actual ownership of the funds by or between the depositors, and without regard to whether any other depositor or depositors so named are deceased or incompetent at the time the payments are made.

NEW SECTION. Sec. 15. PAYMENT TO MINORS AND INCOMPETENTS. Financial institutions may make payments of funds on deposit in an account established by a depositor who is a minor or incompetent without regard to whether it has actual knowledge of the minority or incompetency of the depositor unless the branch of the financial institution at which the account is maintained has received written notice to withhold

payment to the minor or incompetent by the guardian of his estate and had a reasonable opportunity to act upon the notice.

NEW SECTION. Sec. 16. PAYMENT TO TRUST AND P.O.D. ACCOUNT BENEFICIARIES. Financial institutions may pay any funds remaining on deposit in an account to a trust or P.O.D. account beneficiary or beneficiaries when the financial institution has received proofs of death of all depositors to the account who pursuant to the terms of the contract of deposit were required to predecease the beneficiary. If there is more than one trust or P.O.D. account beneficiary, financial institutions shall not, unless the contract of deposit otherwise provides, pay to any one such beneficiary more than that amount which is obtained by dividing the total of the funds on deposit in the account by the number of trust or P.O.D. account beneficiaries.

NEW SECTION. Sec. 17. PAYMENT TO AGENTS OF DEPOSITORS. Any funds on deposit in an account may be paid by a financial institution to or upon the order of any agent of any depositor. The contract of deposit or other document creating such agency may provide, in accordance with chapter 11.94 RCW, that any such agent's powers to receive payments and make withdrawals from an account continues in spite of, or arises by virtue of, the incompetency of a depositor, in which event the agent's powers to make payments and withdrawals from an account on behalf of a depositor is not affected by the incompetency of a depositor. Except as provided in this section, the authority of an agent to receive payments or make withdrawals from an account terminates with the death or incompetency of the agent's principal: PROVIDED, That a financial institution is not liable for any payment or withdrawal made to or by an agent for a deceased or incompetent depositor unless the financial institution making the payment or permitting the withdrawal had actual knowledge of the incompetency or death at the time payment was made.

NEW SECTION. Sec. 18. PAYMENT TO PERSONAL REPRESENTATIVES. Financial institutions may pay any funds remaining on deposit in an account which belongs to a deceased depositor to the personal representative of the depositor's estate under any of the following circumstances:

- (1) When the decedent was the depositor on a single account; or
- (2) When the decedent was a depositor on a joint account without right of survivorship or the only surviving depositor on a joint account with right of survivorship, and has not designated a trust or P.O.D. account beneficiary of the decedent's interest, and the financial institution has received the proofs of death necessary to establish the deaths of the other depositors named on the account; or
- (3) When the decedent was a beneficiary of a P.O.D. or trust account and the financial institution has received proofs of death of the beneficiary

and all depositors to the account who, pursuant to the terms of the contract of deposit, were required to predecease the beneficiary; or

(4) When consent to the payment has been given in writing by all depositors and beneficiaries of the account; or

(5) When so ordered or directed by a superior court of the state or other court having jurisdiction over the matter.

NEW SECTION. Sec. 19. PAYMENT TO HEIRS AND CREDITORS OF A DECEASED DEPOSITOR. In each case, where it is provided in section 18 of this act that a financial institution may make payment of funds deposited in an account to the personal representative of the estate of a deceased depositor or beneficiary, the financial institution may make payment of the funds to the following persons under the circumstances provided:

(1) In those instances where the deceased depositor left a surviving spouse, and the deceased depositor and the surviving spouse shall have executed a community property agreement which by its terms would include funds of the deceased depositor remaining in the account, a financial institution may make payment of all funds in the name of the deceased spouse to the surviving spouse upon receipt of a certified copy of the community property agreement as recorded in the office of a county auditor of the state and an affidavit of the surviving spouse that the community property agreement was validly executed and in full force and effect upon the death of the depositor.

(2) In those instances where the balance of the funds in the name of a deceased depositor does not exceed two thousand five hundred dollars, payment of the decedent's funds remaining in the account may be made to the surviving spouse, next of kin, funeral director, or other creditor who may appear to be entitled thereto upon receipt of proof of death and an affidavit to the effect that no personal representative has been appointed for the deceased depositor's estate. As a condition to the payment, a financial institution may require such waivers, indemnity, receipts, and acquittance and additional proofs as it may consider proper.

(3) In those instances where the balance of the funds in the name of a deceased depositor does not exceed ten thousand dollars, to the person entitled thereto when presented by an affidavit which meets the requirements of chapter 11.62 RCW.

A person receiving a payment from a financial institution pursuant to subsections (2) and (3) of this section is answerable and accountable therefor to any personal representative of the deceased depositor's estate wherever and whenever appointed.

NEW SECTION. Sec. 20. PAYMENT TO FOREIGN PERSONAL REPRESENTATIVE. In each case where it is provided in this chapter that payment may be made to the personal representative of the estate of a deceased depositor or trust or P.O.D. account beneficiary, financial institutions

may make payment of the funds on deposit in a deceased depositor's or beneficiary's account to the personal representative of the decedent's estate appointed under the laws of any other state or territory or country after:

(1) At least ninety days have elapsed since the date of the deceased depositor's death; and

(2) Upon receipt of the following:

(a) Proof of death of the deceased depositor or beneficiary;

(b) Proof of the appointment and continuing authority of the personal representative requesting payment; and

(c) The personal representative's, or its agent's, affidavit to the effect that to the best of his or her knowledge no personal representative has been or will be appointed under the laws of this state; and

(d) Receipt of an inheritance tax release from the department of revenue. However, if a personal representative of the deceased depositor's or beneficiary's estate is appointed and qualified as such under the laws of this state, and delivers proof of the appointment and qualification to the office or branch of the financial institution in which the deposit is maintained prior to the transmissions of the sums on deposit to the foreign personal representative, then the funds shall be paid to the personal representative of the deceased depositor's or beneficiary's estate who has been appointed and qualified in this state.

NEW SECTION. Sec. 21. **AUTHORITY TO WITHHOLD PAYMENT.** Nothing contained in this chapter shall be deemed to require any financial institution to make any payment from an account to a depositor, or any trust or P.O.D. account beneficiary, or any other person claiming an interest in any funds deposited in the account, if the financial institution has actual knowledge of the existence of a dispute between the depositors, beneficiaries, or other persons concerning their respective rights of ownerships to the funds contained in, or proposed to be withdrawn, or previously withdrawn from the account, or in the event the financial institution is otherwise uncertain as to who is entitled to the funds pursuant to the contract of deposit. In any such case, the financial institution may, without liability, notify, in writing, all depositors, beneficiaries, or other persons claiming an interest in the account of either its uncertainty as to who is entitled to the distributions or the existence of any dispute, and may also, without liability, refuse to disburse any funds contained in the account to any depositor, and/or trust or P.O.D. account beneficiary thereof, and/or other persons claiming an interest therein, until such time as either:

(1) All such depositors and/or beneficiaries have consented, in writing, to the requested payment; or

(2) The payment is authorized or directed by a court of proper jurisdiction.

NEW SECTION. Sec. 22. **ADVERSE CLAIM BOND.** Notwithstanding section 21 of this act, a financial institution may, without liability, pay

or permit withdrawal of any funds on deposit in an account to a depositor and/or agent of a depositor and/or trust or P.O.D. account beneficiary, and/or other person claiming an interest therein, even when the financial institution has actual knowledge of the existence of the dispute, if the adverse claimant shall execute to the financial institution, in form and with security acceptable to it, a bond in an amount which is double either the amount of the deposit or the adverse claim, whichever is the lesser, indemnifying the financial institution from any and all liability, loss, damage, costs, and expenses, for and on account of the payment of the adverse claim or the dishonor of the check or other order of the person in whose name the deposit stands on the books of the financial institution: PROVIDED, That where the person in whose name the deposit stands is a fiduciary for the adverse claimant, and the facts constituting such relationship, and also the facts showing reasonable cause of belief on the part of the claimant that the fiduciary is about to misappropriate the deposit, are made to appear by the affidavit of the claimant, the financial institution shall, without liability, refuse to deliver the property for a period of not more than five business days from the date that the financial institution receives the adverse claimant's affidavit, without liability for the sufficiency or truth of the facts alleged in the affidavit, after which time the claim shall be treated as any other claim under this section.

NEW SECTION. Sec. 23. There is added to chapter 30.20 RCW a new section to read as follows:

Deposits made by individuals in a national bank, state bank, trust company, or other banking institution subject to the supervision of the supervisor of banking are governed by chapter 30.— RCW (sections 1 through 22 of this 1981 act).

NEW SECTION. Sec. 24. There is added to chapter 31.12 RCW a new section to read as follows:

Deposits made by individuals in a credit union under this chapter are governed by chapter 30.— RCW (sections 1 through 22 of this 1981 act).

Sec. 25. Section 4, chapter 280, Laws of 1961 as amended by section 1, chapter 143, Laws of 1979 and RCW 30.20.090 are each amended to read as follows:

Notice to any national bank, state bank, trust company, mutual savings bank or bank under the supervision of the supervisor of banking, doing business in this state of an adverse claim to a deposit standing on its books to the credit of any person may be disregarded without liability by said bank or trust company unless said adverse claimant shall also either procure a restraining order, injunction or other appropriate process against said bank or trust company from a court of competent jurisdiction in a cause therein instituted by him wherein the person to whose credit the deposit stands is made a party and served with summons or shall execute to said

bank or trust company, in form and with sureties acceptable to it, a bond, in an amount which is double either the amount of said deposit or said adverse claim, whichever is the lesser, indemnifying said bank or trust company from any and all liability, loss, damage, costs and expenses, for and on account of the payment of such adverse claim or the dishonor of the check or other order of the person to whose credit the deposit stands on the books of said bank or trust company: PROVIDED, That where the person to whose credit the deposit stands is a fiduciary for such adverse claimant, and the facts constituting such relationship, and also the facts showing reasonable cause of belief on the part of said claimant that the said fiduciary is about to misappropriate said deposit, are made to appear by the affidavit of such claimant, the bank or trust company shall without liability refuse to deliver such property for a period of not more than five business days from the date that the bank received the adverse claimant's affidavit, without liability for the sufficiency or truth of the facts alleged in the affidavit, after which time the claim shall be treated as any other claim under this section.

This section shall not apply to accounts subject to chapter 30.— RCW (sections 1 through 22 of this 1981 act).

Sec. 26. Section 10, chapter 173, Laws of 1933 as amended by section 9, chapter 131, Laws of 1943 and RCW 31.12.140 are each amended to read as follows:

Shares may be issued (~~and deposits received~~) in the name of a minor, and such shares (~~and deposits~~) may, in the discretion of the directors, be withdrawn by such minor or by his parent or guardian (~~, and in either case payments made on such withdrawals shall be valid and shall release the corporation from liability to the minor, parent or guardian in respect of such share and deposits~~). A minor under eighteen shall not have the right to vote.

~~((Two or more eligible persons may jointly become depositors or members in a credit union and such persons shall enjoy the same rights as though the deposits had been made by, or the shares issued to, an individual member, and unless written instructions to the contrary are given to the credit union relative to such account, and written receipt thereof acknowledged by such credit union, any of such persons may exercise the rights of ownership, transfer and withdrawal incidental to such ownership without the other joint holders joining therein, and in the event of death, the survivor or survivors may exercise all rights incidental to such deposits or shares.))~~

Sec. 27. Section 32.12.010, chapter 13, Laws of 1955 as last amended by section 1, chapter 145, Laws of 1967 and RCW 32.12.010 are each amended to read as follows:

Deposits made by individuals in a mutual savings bank under this chapter are governed by chapter 30.— RCW (sections 1 through 22 of this 1981

act). In addition, other deposits which a savings bank may establish include but are not limited to the following:

(1) ~~((Deposits in the name of the depositor and another or others in joint form with right of survivorship:~~

(2) ~~Deposits in the name of the depositor as trustee for another under a voluntary and revocable trust:~~

(3) ~~Deposits in the name of the depositor and another in joint form with right of survivorship as trustee for another under a voluntary and revocable trust:~~

(4)) ~~Deposits in the name of, or on behalf of, a partnership or other form of multiple ownership enterprise.~~

((5)) (2) ~~Deposits in the name of a corporation, society, or unincorporated association.~~

((6)) (3) ~~Deposits maintained by a person, society, or corporation as administrator, executor, guardian, or trustee under a will or trust agreement.~~

((7) ~~Deposits designated as community property of a marital community, whether in the name of either or both of the members of the community:~~

(8) ~~Deposits designated as separate property of the depositor.))~~

Every such bank may limit the aggregate amount which an individual or any corporation or society may have to his or its credit to such sum as such bank may deem expedient to receive; and may in its discretion refuse to receive a deposit, or may at any time return all or any part of any deposits or require the withdrawal of any dividends or interest. Any account in excess of one hundred thousand dollars may only be accepted or held in accordance with such regulations as the supervisor may establish.

Sec. 28. Section 32.12.020, chapter 13, Laws of 1955 as last amended by section 40, chapter 117, Laws of 1974 ex. sess. and RCW 32.12.020 are each amended to read as follows:

The sums deposited with any savings bank, together with any dividends or interest credited thereto, shall be repaid to the depositors thereof respectively, or to their legal representatives, after demand in such manner, and at such times, and under such regulations, as the board of trustees shall prescribe, subject to the provisions of this section and RCW 32.12.030. Such regulations shall be posted in a conspicuous place in the room where the business of such savings bank shall be transacted, and shall be available to depositors upon request. All such rules and regulations, and all amendments thereto, from time to time in effect, shall be binding upon all depositors.

(1) Such bank may at any time by a resolution of its board of trustees require a notice of not more than six months before repaying deposits, in which event no deposit shall be due or payable until the required notice of intention to withdraw the same shall have been personally given by the depositor: PROVIDED, That such bank at its option may pay any deposit or

deposits before the expiration of such notice. But no bank shall agree with its depositors or any of them in advance to waive the requirement of notice as herein provided.

(2) Except as provided in subdivisions (3), (4), and (5) of this section the savings bank shall not pay any dividend, or interest, or deposit, or portion thereof, or any check drawn upon it by a depositor unless the certificate of deposit is produced, or the passbook of the depositor is produced and the proper entry is made therein, at the time of the payment.

(3) The board of trustees of any such bank may by its bylaws provide for making payments in cases of loss of passbook or certificate of deposit, or other exceptional cases where the passbooks or certificates of deposit cannot be produced without loss or serious inconvenience to depositors, the right to make such payments to cease when so directed by the supervisor upon his being satisfied that such right is being improperly exercised by any such bank; but payments may be made at any time upon the judgment or order of a court.

(4) The board of trustees of any such bank may by its bylaws provide for making payments to depositors at their request, of dividends or interest payable on any deposit, without requiring the production of the passbook or certificate of deposit of the depositor, and any payment made in accordance with any such request and the receipt or acquittance of the one to whom such payment is made shall be a valid and sufficient release and discharge to such savings bank for all payments made on account of such request prior to receipt by such savings bank of notice in writing not to pay such sums in accordance with the terms of such request.

(5) The issuance of a passbook or certificate of deposit may be omitted for any account if a ledger record thereof is maintained in lieu of a passbook or certificate of deposit on which shall be entered deposits, withdrawals, and interest credited: PROVIDED, That in any event a passbook or certificate of deposit shall be issued upon the request of any depositor.

~~((6) If any person dies leaving in any such bank an account on which the balance due him does not exceed one thousand dollars and no executor or administrator of his estate has been appointed, such bank may in its discretion pay the balance of his account to his widow (or if the decedent was a married woman, then to her husband), next of kin, funeral director, or other creditor who may appear to be entitled thereto. As a condition of such payment such bank may require proof by affidavit as to the parties in interest, the filing of proper waivers, the execution of a bond of indemnity with surety or sureties by the person to whom the payment is to be made, and a proper receipt and acquittance for such payment. For any such payment pursuant to this section such bank shall not be liable to the decedent's executor or administrator thereafter appointed, unless the payment was made within six months after the decedent's death, and an action to recover the amount is commenced within six months after the date of payment. On the~~

death of any depositor of any savings bank, the bank may also pay out the moneys on deposit to the credit of the deceased upon presentation of an affidavit as provided in RCW 11.62.010.))

NEW SECTION. Sec. 29. There is added to chapter 33.20 RCW a new section to read as follows:

Deposits made by individuals in an association are governed by chapter 30.— RCW (sections 1 through 22 of this 1981 act).

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

Subject to chapter 30.— RCW (sections 1 through 22 of this 1981 act), minors may become members of an association and all contracts entered into between a minor and an association, with respect to his membership or his savings therein, shall be valid and enforceable, and ~~((all savings accounts of minors shall be held for the exclusive right and benefit of such minor and free from the control or lien of all other persons, except creditors, and shall be paid, together with the dividends thereon, to the minor member, and his receipt or acquittance shall be a valid discharge of the obligation:))~~ a minor may not disaffirm, because of his minority, any such membership or agreement in connection therewith.

Sec. 31. Section 13, chapter 176, Laws of 1963 and RCW 32.12.120 are each amended to read as follows:

Notice to any mutual savings bank doing business in this state of an adverse claim to a deposit standing on its books to the credit of any person shall not be effectual to cause said bank to recognize said adverse claimant unless said adverse claimant shall also either procure a restraining order, injunction or other appropriate process against said bank from a court of competent jurisdiction in a cause therein instituted by him wherein the person to whose credit the deposit stands is made a party and served with summons or shall execute to said bank, in form and with sureties acceptable to it, a bond, in an amount which is double either the amount of said deposit or said adverse claim, whichever is the lesser, indemnifying said bank from any and all liability, loss, damage, costs and expenses, for and on account of the payment of such adverse claim or the dishonor of the check or other order of the person to whose credit the deposit stands on the books of said bank: PROVIDED, That this law shall not apply in any instance where the person to whose credit the deposit stands is a fiduciary for such adverse claimant, and the facts constituting such relationship as also the facts showing reasonable cause of belief on the part of said claimant that the said fiduciary is about to misappropriate said deposit, are made to appear by the affidavit of such claimant.

This section shall not apply to accounts subject to chapter 30.— RCW (sections 1 through 22 of this 1981 act).

NEW SECTION. Sec. 32. Sections 1 through 22 of this act shall constitute a new chapter in Title 30 RCW.

NEW SECTION. Sec. 33. The following acts or parts of acts are each repealed:

- (1) Section 30.20.010, chapter 33, Laws of 1955 and RCW 30.20.010;
- (2) Section 30.20.015, chapter 33, Laws of 1955, section 6, chapter 280, Laws of 1961, section 5, chapter 133, Laws of 1967 and RCW 30.20.015;
- (3) Section 30.20.020, chapter 33, Laws of 1955, section 2, chapter 280, Laws of 1961, section 39, chapter 117, Laws of 1974 ex. sess., section 28, chapter 234, Laws of 1977 ex. sess. and RCW 30.20.020;
- (4) Section 30.20.030, chapter 33, Laws of 1955, section 49, chapter 154, Laws of 1973 1st ex. sess. and RCW 30.20.030;
- (5) Section 1, chapter 347, Laws of 1955 and RCW 30.20.035;
- (6) Section 5, chapter 280, Laws of 1961, section 19, chapter 278, Laws of 1975 1st ex. sess. and RCW 30.20.100;
- (7) Section 32.12.030, chapter 13, Laws of 1955, section 7, chapter 280, Laws of 1961, section 4, chapter 176, Laws of 1963 and RCW 32.12.030;
- (8) Section 12, chapter 176, Laws of 1963, section 20, chapter 278, Laws of 1975 1st ex. sess. and RCW 32.12.110;
- (9) Section 40, chapter 235, Laws of 1945 and RCW 33.20.030;
- (10) Section 1, chapter 165, Laws of 1975 1st ex. sess., section 3, chapter 107, Laws of 1979 and RCW 33.20.035;
- (11) Section 43, chapter 235, Laws of 1945, section 50, chapter 154, Laws of 1973 1st ex. sess. and RCW 33.20.050;
- (12) Section 45, chapter 235, Laws of 1945 and RCW 33.20.070; and
- (13) Section 46, chapter 235, Laws of 1945, section 6, chapter 246, Laws of 1963, section 41, chapter 117, Laws of 1974 ex. sess. and RCW 33.20.080.

NEW SECTION. Sec. 34. This act shall take effect on July 1, 1982.

Passed the Senate February 27, 1981.

Passed the House April 20, 1981.

Approved by the Governor May 14, 1981.

Filed in Office of Secretary of State May 14, 1981.

CHAPTER 193

[Engrossed Senate Bill No. 3183]

PROCEEDINGS AFTER JUDGMENT

AN ACT Relating to proceedings after judgment; amending section 351, page 91, Laws of 1869 as last amended by section 355, Code of 1881 and RCW 6.04.100; amending section 24, chapter 133, Laws of 1893 as amended by section 2, chapter 93, Laws of 1899 and RCW 6.32.240; amending section 4, chapter 264, Laws of 1969 ex. sess. as amended by section 1, chapter 55, Laws of 1977 ex. sess. and RCW 7.33.040; amending section 11, chapter 264, Laws of 1969 ex. sess. and RCW 7.33.110; amending section 13, chapter 264, Laws of 1969 ex. sess. as last amended by section 8, chapter 292, Laws of 1971 ex.