

State of Wisconsin



2021 Assembly Bill 1023

Date of enactment:
Date of publication*:

2021 WISCONSIN ACT

AN ACT *to repeal* 138.056 (1) (a) 1., 186.082 (1) (b) and 186.082 (2) (f); *to consolidate, renumber and amend* 186.082 (1) (intro.) and (a); and *to amend* 20.912 (4), 34.01 (2) (a), 34.10, 186.093 (1), 186.093 (2), 186.20, 215.01 (7m), 220.04 (6) (b) and 813.16 (7) of the statutes; **relating to:** eliminating obsolete references relating to credit unions, the commissioner of banking, certain federal agencies, and a mortgage rate index (suggested as remedial legislation by the Department of Financial Institutions).

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

LAW REVISION COMMITTEE PREFATORY NOTE: This bill is a remedial legislation proposal, requested by the Department of Financial Institutions and introduced by the Law Revision Committee under s. 13.83 (1) (c) 4. and 5., stats. After careful consideration of the various provisions of the bill, the Law Revision Committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

SECTION 1. 20.912 (4) of the statutes is amended to read:

20.912 (4) **INSOLVENT DEPOSITORIES.** When the bank, savings and loan association, savings bank, or credit union on which any check, share draft, or other draft is drawn by the secretary of administration before payment of such check, share draft, or other draft becomes insolvent or is taken over by the division of banking, ~~the federal home loan bank board, the U.S. office of thrift supervision, the federal deposit insurance corporation, the resolution trust corporation,~~ the office of credit unions, the administrator of federal credit unions, or the U.S. comptroller of the currency, the secretary of administration shall on the demand of the person in whose favor such check, share draft, or other draft was drawn and

upon the return to the secretary of such check, share draft, or other draft issue a replacement for the same amount.

SECTION 2. 34.01 (2) (a) of the statutes is amended to read:

34.01 (2) (a) Any loss of public moneys, which have been deposited in a designated public depository in accordance with this chapter, resulting from the failure of any public depository to repay to any public depositor the full amount of its deposit because the office of credit unions, administrator of federal credit unions, U.S. comptroller of the currency, ~~federal home loan bank board, U.S. office of thrift supervision,~~ federal deposit insurance corporation, ~~resolution trust corporation,~~ or division of banking has taken possession of the public depository or because the public depository has, with the consent and approval of the office of credit unions, administrator of federal credit unions, ~~U.S. office of thrift supervision,~~ federal deposit insurance corporation, ~~resolution trust corporation,~~ or division of banking, adopted a stabilization and readjustment plan or has sold a part or all of its assets to another credit union, bank, savings bank, or savings and loan association which has agreed to pay a part or all of the deposit liability on a deferred payment basis or because the depository is prevented

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

from paying out old deposits because of rules of the office of credit unions, administrator of federal credit unions, U.S. comptroller of the currency, federal home loan bank board, U.S. office of thrift supervision, federal deposit insurance corporation, resolution trust corporation, or division of banking.

SECTION 3. 34.10 of the statutes is amended to read:

34.10 Reorganization and stabilization of financial institutions. Whenever the office of credit unions, administrator of federal credit unions, U.S. comptroller of the currency, federal home loan bank board, U.S. office of thrift supervision, federal deposit insurance corporation, resolution trust corporation, or division of banking has taken charge of a credit union, bank, savings bank, or savings and loan association with a view of restoring its solvency, pursuant to law, or with a view of stabilizing and readjusting the structure of any national or state credit union, bank, savings bank, or savings and loan association located in this state, and has approved a reorganization plan or a stabilization and readjustment agreement entered into between the credit union, bank, savings bank, or savings and loan association and depositors and unsecured creditors, or when a credit union, bank, savings bank, or savings and loan association, with the approval of the office of credit unions, administrator of federal credit unions, U.S. comptroller of the currency, federal home loan bank board, U.S. office of thrift supervision, federal deposit insurance corporation, resolution trust corporation, or division of banking proposes to sell its assets to another credit union, bank, savings bank, or savings and loan association which agrees to assume a part or all of the deposit liability of such selling credit union, bank, savings bank, or savings and loan association and to pay the same on a deferred payment basis, the governing board of the public depositor may, on the approval of the division of banking, join in the execution of any reorganization plan, or any stabilization and readjustment agreement, or any depositor's agreement relative to a proposed sale of assets if, in its judgment and that of the division of banking, the reorganization plan or stabilization and readjustment agreement or proposed sale of assets is in the best interest of all persons concerned. The joining in any reorganization plan, or any stabilization and readjustment agreement, or any proposed sale of assets which meets the approval of the division of banking does not waive any rights under this chapter.

NOTE: SECTIONS 1 to 3 delete obsolete references to federal agencies formerly involved in financial institution insolvency.

SECTION 4. 138.056 (1) (a) 1. of the statutes is repealed.

NOTE: This SECTION eliminates an obsolete reference to a federal index that was formerly calculated.

SECTION 5. 186.082 (1) (intro.) and (a) of the statutes are consolidated, renumbered 186.082 (1) and amended to read:

186.082 (1) "Credit union" means ~~any of the following: (a) A~~ a cooperative, nonprofit corporation incorporated under s. 186.02 and any domestic or foreign predecessor of that corporation where the predecessor's existence ceased upon the consummation of a merger or other transaction.

SECTION 6. 186.082 (1) (b) of the statutes is repealed.

SECTION 7. 186.082 (2) (f) of the statutes is repealed.

SECTION 8. 186.093 (1) of the statutes is amended to read:

186.093 (1) "Credit union" means a cooperative, nonprofit corporation incorporated under s. 186.02 and the Wisconsin credit union savings insurance corporation organized under s. 186.35, 2003 stats.

SECTION 9. 186.093 (2) of the statutes is amended to read:

186.093 (2) "Director or officer" means a natural person who serves as a director or officer of a credit union, ~~or as a member of a credit union's credit committee, or a natural person who was a trustee of the Wisconsin credit union savings insurance corporation organized under s. 186.35, 2003 stats.~~

NOTE: SECTIONS 5 to 9 delete references to the Wisconsin credit union savings insurance corporation, which was eliminated by 2005 Wisconsin Act 34.

SECTION 10. 186.20 of the statutes is amended to read:

186.20 Financial privacy. A credit union shall comply with any applicable requirements under 15 USC 6801 to 6803 and any applicable regulations prescribed by the national credit union administration under 15 USC 6804.

NOTE: This SECTION eliminates a reference to a specific federal agency but retains the requirement for a credit union to comply with regulations prescribed under federal law.

SECTION 11. 215.01 (7m) of the statutes is amended to read:

215.01 (7m) "Federal regulatory agency" means the federal office of thrift supervision ~~or other~~ a federal agency or entity which ~~that~~ supervises and examines an association.

SECTION 12. 220.04 (6) (b) of the statutes is amended to read:

220.04 (6) (b) In times of financial distress, the ~~commissioner~~ division with the approval of the banking institutions review board may by order restrict the withdrawal of any class of deposits in any bank or trust company bank. The pendency of any proceeding for review of such order shall not stay or suspend the operation of such order.

NOTE: This SECTION replaces an obsolete reference to the commissioner of banking with a reference to the Division of Banking within the Department of Financial Institutions.

SECTION 13. 813.16 (7) of the statutes is amended to read:

813.16 (7) If the person seeking the appointment of a receiver under sub. (1) is a savings and loan association

2021 Assembly Bill 1023

2021 Wisconsin Act

or savings bank supervised by the division of banking or a corporation supervised by the ~~home loan bank board, federal office of thrift supervision,~~ federal deposit insurance corporation, ~~or resolution trust corporation,~~ the court, unless the opposing party objects, shall appoint an

officer of such corporation as receiver to act without compensation and to give such bond as the court requires.

NOTE: SECTIONS 11 and 13 delete obsolete references to federal agencies formerly involved in financial institution insolvency.

