

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: **06/18/99**

Received By: **rmarchan**

Wanted: **Soon**

Identical to LRB:

For: **Assembly Republican Caucus 6-1452**

By/Representing: **Dake**

This file may be shown to any legislator: **NO**

Drafter: **rmarchan**

May Contact:

Alt. Drafters:

Subject: **Fin. Inst. - banking inst.**

Extra Copies:

Pre Topic:

ARC:.....Dake - AM # 66.

Topic:

Acquisition of banks and bank holding companies

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	rmarchan 06/21/99	ygeller 06/21/99	jfrantze 06/21/99	_____	lrb_docadmin 06/21/99		
	rmarchan 06/24/99	chanaman 06/24/99		_____			
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/1	rmarchan 06/21/99	kgeller 06/21/99	jfrantze 06/21/99	_____	lrb_docadmin 06/21/99		

FE Sent For:

*cmu
6/24
/r*

*JF Frantze
6/25
<END>*

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/?	rmarchan	6/21 jlg	6/6/21	6/21 ch			

FE Sent For:

<END>

To Be Drafted

Agency: Financial Institutions
ARC Analyst: Brian Dake

Amendment#: 66
LRB#:
Tax Cut:

Summary

The federal Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 allowed states to determine the mode of initial entry for interstate branching and acquisitions. Wisconsin decided to retain its five-year age requirement, meaning that an out-of-state financial institution must acquire an existing charter that has been in existence for at least five years.

The amendment clarifies that the five-year age requirement for interstate acquisitions applies to both banks and bank holding companies. To do so, requires minor modifications to state statutes ss. 221.09.091 relating to acquisitions of bank and bank holding companies.

221.0901 (3)
all or in-state bank

221.0901 (8)(a) del. out of state bank holding co.
(8)(b) del. out of state bank holding co. + in-state applicant

Fiscal Impact

The amendment makes a technical change to current law and does not have a fiscal effect on the State of Wisconsin.

Statement of Intent

Financial Institutions. Clarify that the five-year age requirement for interstate bank acquisitions applies to banks and bank holding companies.

L118199
Tcf Brian Dake
These are the requested changes

see # 2 342



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb07290

RJM:.....

Seow

Jig

ARC:.....Dake - AM # 66, Acquisition of banks and bank holding companies

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

RMR
note

1 At the locations indicated, amend the ^{JA}bill as follows:

2 ^B1. Page 1193, line 3: after that line insert:

3 ^{2345e}"SECTION ~~2210~~ 221.0901 (3) (a) 1. of the statutes is amended to read:

4 221.0901 (3) (a) 1. Merge or consolidate with an in-state bank holding company

5 ^Bor an in-state bank.

6 ^{2345m}SECTION ~~2210m~~ 221.0901 (8) (a) ^Xof the statutes is amended to read:

7 221.0901 (8) (a) Except as provided in pars. (b) and (c), the division may not

8 approve an application by an out-of-state bank holding company under sub. (3) (a)

9 unless the in-state bank to be acquired, ^{Plain text}~~is~~ or ^{every}all in-state bank ^{subsidiary}subsidiaries of the

10 in-state bank holding company to be acquired, ^{Plain text}have as of the proposed date of

11 acquisition ^{has}been in existence and in continuous operation for at least 5 years as of

12 the proposed date of acquisition.

③

2345p

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SECTION ~~221.090~~ 221.0901 (8) (b) of the statutes is amended to read:

221.0901 (8) (b) The division may approve an application for an acquisition of an in-state bank holding company that owns one or more in-state banks that have been in existence for less than 5 years, if the ~~out-of-state bank holding company applicant~~ divests itself of those in-state banks within 2 years after the date of the ~~applicant's~~ acquisition of the in-state bank holding company by the ~~out-of-state bank holding company~~." ✓

2. Page 1589, line 14: after that line insert:

“(1) The treatment of ~~§~~ ^{section} 221.0901 (3) (a) 1. and (8) (a) and (b) ^{of the statutes} first applies to mergers, consolidations or acquisitions that take place on the effective date of this subsection.”

(END)

ACQUISITIONS OF BANKS AND BANK HOLDING COMPANIES.

↑
cls.

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0729/1dn

RJM:↑:....

↑
Jg

Brian Dake:

Attached is the amendment you requested regarding interstate bank acquisitions. Please review the amendment and contact me if you desire any changes. Thanks.

Robert J. Marchant
Legislative Attorney
Phone: (608) 261-4454
E-mail: Robert.Marchant@legis.state.wi.us

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0729/1dn
RJM:jlj:jf

June 21, 1999

Brian Dake:

Attached is the amendment you requested regarding interstate bank acquisitions. Please review the amendment and contact me if you desire any changes. Thanks.

Robert J. Marchant
Legislative Attorney
Phone: (608) 261-4454
E-mail: Robert.Marchant@legis.state.wi.us

6/24/99

Re: s. 221.0901 (8)(a)

Tel Brian DeWitt. Requester wants to clarify that age requirement does not apply to in-state acquisitions of in-state banks & b.h.c.'s. Requester specifically wants to include "other than" language rather than refer to applications by out-of-state banks and b.h.c.'s under sub. (3)(d).

Also does not want to make substantive change to "unless" clause to apply 5 yr rule to b.h.c.'s, too. O.K. as-is, as long as 5 yr rule applies to in-state subsidiaries of b.h.c.'s (except as provided in s. 221.0901 (8)(b) & (c)).

Seems like need to clarify intent of these changes.



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0729/1
RJM;jlg:jf

500 N

RCM
RMR

ARC:.....Dake - AM # 66, Acquisition of banks and bank holding companies

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

DNOTE

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 1193, line 3: after that line insert:

3 "SECTION 2345e. 221.0901 (3) (a) 1. of the statutes is amended to read:

4 221.0901 (3) (a) 1. Merge or consolidate with an in-state bank holding company
5 or an in-state bank.

other than an application by an in-state bank or an in-state bank holding company

6 SECTION 2245m. 221.0901 (8) (a) of the statutes is amended to read:

7 221.0901 (8) (a) Except as provided in pars. (b) and (c), the division may not
8 approve an application by an out-of-state bank holding company under sub. (3) (a)
9 unless the in-state bank to be acquired, or all every in-state bank subsidiaries
10 subsidiary of the in-state bank holding company to be acquired, have as of the

1 ~~proposed date of acquisition~~ has been in existence and in continuous operation for
2 at least 5 years as of the proposed date of acquisition.

3 SECTION 2245p. 221.0901 (8) (b) of the statutes is amended to read:

4 221.0901 (8) (b) The division may approve an application for an acquisition of
5 an in-state bank holding company that owns one or more in-state banks that have
6 been in existence for less than 5 years, if the ~~out-of-state bank holding company~~
7 applicant divests itself of those in-state banks within 2 years after the date of the
8 applicant's acquisition of the in-state bank holding company ~~by the out-of-state~~
9 ~~bank holding company~~".

This paragraph does not apply to an application by an in-state bank or an in-state bank holding company

10 2. Page 1589, line 14: after that line insert:

11 "(1c) ACQUISITIONS OF BANKS AND BANK HOLDING COMPANIES. The treatment of
12 section 221.0901 (3) (a) 1. and (8) (a) and (b) of the statutes first applies to mergers,
13 consolidations or acquisitions that take place on the effective date of this
14 subsection."

15 (END)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0729/2dn

RJM:.....

cmr

This draft incorporates ^{the} changes communicated to you by the requester, along with a conforming change to s. 221.090(8)(b), stats.

Brian Dake:

Attached is the redraft of the amendment you requested regarding interstate bank and bank holding company acquisitions. Please note that, under the current draft, a bank holding company that is less than 5 years old generally could be acquired, as long as all in-state subsidiaries of that bank holding company satisfy the 5 year rule. It is my understanding after our conversations that the requester does not intend to also require the bank holding company itself to satisfy the 5 year rule.

Please let me know if you desire any changes to this draft.

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E-mail: Robert.Marchant@legis.state.wi.us

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0729/2dn
RJM:cmh:ksh

June 25, 1999

Brian Dake:

Attached is the redraft of the amendment you requested regarding interstate bank and bank holding company acquisitions. This draft incorporates the changes communicated to you by the requester, along with a conforming change to s. 221.0901 (8) (b), stats. Please note that, under the current draft, a bank holding company that is less than 5 years old generally could be acquired, as long as all in-state subsidiaries of that bank holding company satisfy the 5 year rule. It is my understanding after our conversations that the requester does not intend to also require the bank holding company itself to satisfy the 5 year rule.

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State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0729/2
RJM:jlg&cmh:ksh

ARC:.....Dake - AM # 66, Acquisition of banks and bank holding companies

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

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TO 1999 ASSEMBLY BILL 133

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6 SECTION 2245m. 221.0901 (8) (a) of the statutes is amended to read:

7 221.0901 (8) (a) Except as provided in pars. (b) and (c), the division may not
8 approve an application ~~by an out-of-state bank holding company~~ under sub. (3) (a),
9 other than an application by an in-state bank or an in-state bank holding company,

10 unless the in-state bank to be acquired, or all every in-state bank subsidiaries

1 subsidiary of the in-state bank holding company to be acquired, ~~have as of the~~
2 ~~proposed date of acquisition~~ has been in existence and in continuous operation for
3 at least 5 years as of the proposed date of acquisition.

4 **SECTION 2245p.** 221.0901 (8) (b) of the statutes is amended to read:

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6 an in-state bank holding company that owns one or more in-state banks that have
7 been in existence for less than 5 years, if the ~~out-of-state bank holding company~~
8 applicant divests itself of those in-state banks within 2 years after the date of the
9 applicant's acquisition of the in-state bank holding company ~~by the out-of-state~~
10 ~~bank holding company.~~ This paragraph does not apply to an application by an
11 in-state bank or an in-state bank holding company."

12 **2.** Page 1589, line 14: after that line insert:

13 "(1c) ACQUISITIONS OF BANKS AND BANK HOLDING COMPANIES. The treatment of
14 section 221.0901 (3) (a) 1. and (8) (a) and (b) of the statutes first applies to mergers,
15 consolidations or acquisitions that take place on the effective date of this
16 subsection."

17 (END)