

Senate

SB-274

Committee Report

The committee on Privacy, Electronic Commerce and Financial Institutions, reports and recommends:

Assembly Joint Resolution 48

Relating to: urging the Wisconsin congressional delegation to work to enact legislation that would remove social security numbers from hunting and fishing license applications.

By Representatives Balow, Suder, Schneider, Sinicki, Gundrum, Hahn, Underheim, Hasenohrl, Gronemus, Miller, Kreuser, Huber, Musser, F. Lasee, Grothman, Sykora, Plale, Albers, Pocan, Seratti, Ziegelbauer, Schooff, Klusman and Colon; cosponsored by Senators Erpenbach, Schultz, Lazich, Zien, Rude, Baumgart and Decker.

CONCURRENCE RECOMMENDED, Ayes 5, Noes 0, Absent 0

Ayes: (5) Senators Erpenbach, Jauch, Plache, Rude and Fitzgerald(polling).

Noes: (0) None.

Absent: (0) None.

Assembly Bill 315

Relating to: prohibiting the department of transportation from providing information compiled and maintained by the department that contains the personal identifiers of 10 or more people.

By Representatives Foti, Huebsch, Ainsworth, Berceau, Black, Bock, Boyle, Brandemuehl, Cullen, Freese, Gronemus, Gunderson, Hahn, Handrick, Hasenohrl, Hutchison, Johnsrud, Kelso, Klusman, Kreibich, Kreuser, F. Lasee, M. Lehman, Miller, Montgomery, Musser, Olsen, Petrowski, Plale, Plouff, Porter, Powers, Reynolds, Rhoades, Sherman, Sinicki, Spillner, Staskunas, Stone, Turner, Wasserman, Young and Ziegelbauer; cosponsored by Senators Erpenbach, Panzer, Wirch, Darling, Drzewiecki, Lazich, Roessler, Schultz, Welch and Clausing.

INTRODUCTION AND ADOPTION OF SENATE AMENDMENT 1,

Ayes 5, Noes 0, Absent 0

Ayes: (5) Senators Erpenbach, Jauch, Plache, Rude and Fitzgerald(polling).

Noes: (0) None.

Absent: (0) None.

CONCURRENCE AS AMENDED RECOMMENDED, Ayes 5, Noes
0, Absent 0

Ayes: (5) Senators Erpenbach, Jauch, Plache, Rude and
Fitzgerald(polling).

Noes: (0) None.

Absent: (0) None.

Senate Bill 259

Relating to: creating a consumer privacy advocate in the department of justice and making an appropriation.

By Senators Erpenbach, Decker, Baumgart, Rosenzweig, Risser, Plache and Grobschmidt; cosponsored by Representatives Schneider, La Fave, Bock, Black, Travis, Musser, Boyle, Ryba, Lassa, Hebl, J. Lehman, Hasenohrl, Schooff, Richards and Coggs.

PASSAGE RECOMMENDED, Ayes 4, Noes 1, Absent 0

Ayes: (4) Senators Erpenbach, Jauch, Plache and Rude.

Noes: (1) Senator Fitzgerald(polling).

Absent: (0) None.

Senate Bill 267

Relating to: prohibiting certain telephone solicitations, requiring the registration of telephone solicitors, requiring the exercise of rule-making authority, making an appropriation and providing a penalty.

By Senators Clausing, Erpenbach, Jauch, Decker, A. Lasee, Roessler, Moen and Darling; cosponsored by Representatives Black, Schneider, Lassa, Bock, Ryba, M. Lehman, Kreuser, Musser, Balow, Plouff, Hasenohrl, Steinbrink and Suder.

INTRODUCTION AND ADOPTION OF SENATE SUBSTITUTE
AMENDMENT 1, Ayes 3, Noes 2, Absent 0

Ayes: (3) Senators Erpenbach, Jauch and Plache.

Noes: (2) Senators Rude and Fitzgerald(polling).

Absent: (0) None.

PASSAGE AS AMENDED RECOMMENDED, Ayes 3, Noes 2,
Absent 0

Ayes: (3) Senators Erpenbach, Jauch and Plache.

Noes: (2) Senators Rude and Fitzgerald(polling).

Absent: (0) None.

Senate Bill 274

Relating to: credit union membership, powers and operation; the application of agriculture, trade and consumer protection statutes to credit unions and providing a penalty.

By Senators Erpenbach, Moen, Grobschmidt, Plache, Baumgart, George, A. Lasee, Risser, Decker, Robson and Zien; cosponsored by Representatives F. Lasee, Young, Carpenter, Ryba, Colon, Huber, Kreibich, Sykora, Pocan, Boyle, Plale, Reynolds, Sinicki, Hasenohrl, Black, Ainsworth, Staskunas, Hebl, Goetsch, Gronemus, Waukau, Travis, Townsend, Meyerhofer, Plouff, Balow, J. Lehman, Musser, Ziegelbauer, Albers, Schneider and Pettis.

INTRODUCTION AND ADOPTION OF SENATE AMENDMENT 1,
Ayes 5, Noes 0, Absent 0

Ayes: (5) Senators Erpenbach, Jauch, Plache, Rude and Fitzgerald(polling).

Noes: (0) None.

Absent: (0) None.

INTRODUCTION AND ADOPTION OF SENATE AMENDMENT 2,
Ayes 5, Noes 0, Absent 0

Ayes: (5) Senators Erpenbach, Jauch, Plache, Rude and Fitzgerald(polling).

Noes: (0) None.

Absent: (0) None.

INTRODUCTION AND ADOPTION OF SENATE AMENDMENT 3,
Ayes 5, Noes 0, Absent 0

Ayes: (5) Senators Erpenbach, Jauch, Plache, Rude and Fitzgerald(polling).

Noes: (0) None.

Absent: (0) None.

PASSAGE AS AMENDED RECOMMENDED, Ayes 4, Noes 1,
Absent 0

Ayes: (4) Senators Erpenbach, Jauch, Plache and Rude.

Noes: (1) Senator Fitzgerald(polling).

Absent: (0) None.

Senate Bill 329

Relating to: prohibiting the inclusion of an individual's social security number on certain documents issued or used by the state.

By Senators Erpenbach, Plache, Rude, Schultz, Robson, Roessler and Darling; cosponsored by Representatives Schneider, La Fave, Musser, Black, F. Lasee, Reynolds, Young, Coggs, Sykora, Ryba, Wasserman, Boyle, Berceau and Huber.

PASSAGE RECOMMENDED, Ayes 5, Noes 0, Absent 0

Ayes: (5) Senators Erpenbach, Jauch, Plache, Rude and
Fitzgerald(polling).

Noes: (0) None.

Absent: (0) None.

Senator Jon Erpenbach
Chair

JON

EXECUTIVE SESSION
TESTIMONY/TALKING POINTS ON SENATE BILL 274
"The Credit Union Consumer Choice Bill"
January 19, 2000

- I'd like to reiterate the importance of Senate Bill 274 to consumers. As we heard from credit union members and industry, this bill will be instrumental in giving consumers a choice in financial institutions.
- As you know, the proposed changes in Senate Bill 274 are in the following three areas:
 - First, allowing more Wisconsin consumers to be eligible for credit union membership, which is the key provision of the bill.
 - Second, removing the 25-mile limit on creating credit union branch offices outside of the state, which has created artificial barriers to membership.
 - Third, offering additional member services through Credit Union Service Organizations.
- Each provision of the bill will allow additional Wisconsin consumers to choose to be a member of a credit union. This is important because there are 9 counties in Wisconsin that do not have a single credit union or branch office located in them at all.
- I have one **amendment** to the bill today, which will modify the language regarding false statements on Page 16, line 10. My amendment will bring uniformity to the savings and loan and credit union statutes regarding false statements. This amendment states that no credit union officer, director or employee may make false statements regarding credit unions or else they will face criminal/civil liability.
- As a member of a credit union myself, I value my option to be a part of a member-owned financial cooperative and the services and opportunities available to me as a member.
- I hope you will be able to join me today in recommending Senate Bill 274 for passage.



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBa1102/1
RJM:cmh:km

SENATE AMENDMENT , |
TO 1999 SENATE BILL 274

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 16, line 10: delete lines 10 to 13 and substitute:

3 **"186.80 False statements.** (a) No officer, director or employe of a credit union
4 may do any of the following:

5 1. Wilfully and knowingly subscribe to or make, or cause to be made, a false
6 statement or entry in the books of the credit union.

7 2. Knowingly subscribe to or exhibit false information with the intent to deceive
8 any person authorized to examine the affairs of the credit union.

9 3. Knowingly make, state or publish any false report or statement of the credit
10 union.

11 (b) Any person who violates par. (a) may be fined not less than \$1,000 nor more
12 than \$5,000 or imprisoned for not less than one year nor more than 15 years or both."

13 (END)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBa1179/1
RJM:kmg:hmh

SENATE AMENDMENT , 2
TO 1999 SENATE BILL 274

1 At the locations indicated, amend the bill as follows:

2 1. Page 1, line 11: delete the material beginning with “; the” and ending with
3 “unions” on page 2, line 2, and substitute a semicolon.

4 2. Page 6, line 1: delete lines 1 to 10.

5 (END)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBa1174/1
RJM:kmg:km

SENATE AMENDMENT, 3
TO 1999 SENATE BILL 274

1 At the locations indicated, amend the bill as follows:

2 1. Page 6, line 11: delete lines 11 to 16 and substitute:

3 "SECTION 2b. 186.01 (2) of the statutes is amended to read:

4 186.01 (2) "Credit union" means, except as specifically provided in ss. 186.41
5 (1) and 186.45 (1), a cooperative, nonprofit corporation, incorporated under this
6 chapter to encourage thrift among its members, create a source of credit at a fair and
7 reasonable cost and provide an opportunity for its members to improve their
8 economic and social conditions."

9 (END)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBs0255/1
RJM:cmh:hmh

SENATE SUBSTITUTE AMENDMENT ,
TO 1999 SENATE BILL 274

1 AN ACT *to amend* 186.41 (5m); and *to create* 186.1155 and 186.17 (3) of the
2 statutes; **relating to:** membership, powers and operation of certain credit
3 unions; creation of a community reinvestment requirement applicable to
4 certain credit unions; and granting rule-making authority.

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

5 SECTION 1. 186.1155 of the statutes is created to read:

6 **186.1155 Enhanced credit unions.** (1) DEFINITION. In this section,
7 “enhanced credit union” means a credit union that has been issued a certificate of
8 authority under sub. (2) (d).

9 (2) CERTIFICATION. (a) *Application.* A credit union may apply to be certified as
10 an enhanced credit union by filing a written application with the office of credit
11 unions. The written application shall contain all information required by the office
12 of credit unions and shall be on a form required by the office of credit unions.

1 (b) *Eligibility.* The office of credit unions may approve an application for
2 certification as an enhanced credit union if all of the following apply:

3 1. The credit union filing the application achieves a rating of 3 or better in the
4 assessment under par. (c).

5 2. The credit union filing the application meets the minimum capital
6 requirements established by rule of the office of credit unions under sub. (5) (a) and
7 the minimum reserve requirements under s. 186.17 (3).

8 (c) *Assessment of applicant's community reinvestment performance.* For each
9 credit union that files an application under par. (a), the office of credit unions shall
10 assess the performance of the credit union in helping to meet the credit needs of its
11 community, consistent with safe and sound operation of the credit union. In making
12 this assessment, the office of credit unions shall consider factors that are
13 substantially the same as the factors under sub. (4) (c) and may require the credit
14 union to file any information that may assist the office of credit unions in making the
15 assessment. Using the same 1 to 5 rating system established under sub. (4) (d) 1.,
16 the office of credit unions shall rate the credit union's performance in helping to meet
17 the credit needs of its community.

18 (d) *Approval.* If an applicant meets all of the eligibility requirements under par.
19 (b), the office of credit unions shall issue to the applicant a certificate of authority
20 stating that the credit union is certified as an enhanced credit union. The office of
21 credit unions may issue an amended charter to the applicant in order to reflect any
22 necessary changes to the charter resulting from the approval of the application.

23 (e) *Limitation of authority and decertification.* If an enhanced credit union fails
24 to maintain the minimum capital requirements established by rule of the office of
25 credit unions under sub. (5) (a) or the minimum reserve requirements under s.

1 186.17 (3) or fails to maintain a rating of 3 or better in the assessment performed by
2 the office of credit unions under sub. (4) (c), the office of credit unions may limit the
3 enhanced credit union's exercise of powers under sub. (3) and may terminate the
4 enhanced credit union's certificate of authority issued under par. (d). An enhanced
5 credit union may voluntarily terminate its certificate of authority issued under par.
6 (d), under any voluntary termination procedure established by rule of the office of
7 credit unions.

8 (3) POWERS, DUTIES AND PROHIBITIONS. All of the following apply to an enhanced
9 credit union:

10 (a) *Purpose*. Notwithstanding s. 186.01 (2), an enhanced credit union need not
11 be incorporated for the purpose of encouraging thrift among its members, creating
12 a source of credit at a fair and reasonable cost and providing an opportunity for its
13 members to improve their economic and social conditions.

14 (b) *By-laws*. The by-laws of an enhanced credit union shall establish a policy
15 determining which individuals qualify as members of the immediate family of an
16 individual who is qualified to be admitted to membership and, notwithstanding s.
17 186.02 (2) (a) 1., the by-laws of an enhanced credit union shall specify the conditions
18 that determine eligibility for membership in the enhanced credit union.

19 (c) *Membership of individuals*. Notwithstanding s. 186.02 (2) (b), membership
20 in an enhanced credit union may be open to any of the following:

21 1. Individuals that reside or are employed in neighborhoods, communities,
22 rural districts or multicounty regions, unless the office of credit unions determines
23 that it is impractical for a particular enhanced credit union to serve the area in which
24 the individuals reside or are employed.

1 2. Employees of related industries or employees of industries that operate at least
2 one facility within a neighborhood or urban, suburban or rural community, the limits
3 of which are not determined by any arbitrary physical standard.

4 (d) *Membership of organizations.* Notwithstanding s. 186.02 (2) (d), an
5 organization or association of individuals, the majority of the directors, owners or
6 members of which are eligible for membership, may be admitted to membership in
7 an enhanced credit union in the same manner and under the same conditions as
8 individuals. Notwithstanding s. 186.02 (2) (d), an organization or association that
9 has a business location within any geographic limits of an enhanced credit union's
10 field of membership or an organization or association that, in the ordinary course of
11 business, provides goods and services to credit unions, credit union organizations or
12 persons who are eligible for membership in the enhanced credit union may be
13 admitted to membership.

14 (e) *Membership of family members.* As determined under an enhanced credit
15 union's by-laws and notwithstanding s. 186.02 (2) (c), members of the immediate
16 family of an individual who is qualified to be admitted to membership in the
17 enhanced credit union may be admitted to membership.

18 (f) *Investment in credit union service organizations.* Unless the office of credit
19 unions approves a higher percentage, an enhanced credit union may invest not more
20 than 1.5% of its total assets in the capital shares or obligations of credit union service
21 organizations that are organized to provide goods and services, in the ordinary
22 course of business, to credit unions, credit union organizations and credit union
23 members and that are corporations, limited partnerships, limited liability
24 companies or other entities permitted under the laws of this state and approved by
25 the office of credit unions. A credit union service organization under this paragraph

1 may be subject to audit by the office of credit unions. A credit union service
2 organization under this paragraph may provide all of the goods and services that a
3 credit union service corporation may provide under s. 186.11 (4) (b), in addition to any
4 of the following:

5 1. Electronic transaction services.

6 2. Management, development, sale or lease of fixed assets and sale, lease or
7 servicing of computer hardware or software.

8 3. Securities brokerage services.

9 4. Travel agency services.

10 (g) *Branch offices.* Notwithstanding s. 186.113 (1) and (1m), with the approval
11 of the office of credit unions, an enhanced credit union may establish branch offices
12 inside or outside of this state. Permanent records may be maintained at branch
13 offices established under this paragraph. In this paragraph, “branch office” does not
14 include a remote terminal, a limited services office or a service center.

15 (h) *Limited services offices.* An enhanced credit union may not establish a
16 limited services office under s. 186.113 (1m), except that this paragraph does not
17 apply to a limited services office that is established before the effective date of this
18 paragraph [revisor inserts date].

19 (4) COMMUNITY REINVESTMENT. (a) *Required information.* An enhanced credit
20 union shall prepare a community credit needs statement for filing with the office of
21 credit unions under par. (b) and shall post a community credit needs notice indicating
22 the enhanced credit union’s numerical rating under par. (d) 1.

23 (b) *Filing.* No later than March 1 of each year, an enhanced credit union shall
24 file with the office of credit unions a community credit needs statement. In addition
25 to the community credit needs statement, the office of credit unions may require an

1 enhanced credit union to file additional information in making an assessment of the
2 enhanced credit union under par. (c) and in considering an application of the
3 enhanced credit union that is listed under par. (e).

4 (c) *Annual assessment.* The office of credit unions shall assess annually an
5 enhanced credit union's performance in helping to meet the credit needs of its
6 community, consistent with safe and sound operation of the enhanced credit union.
7 In making an assessment under this paragraph, the office of credit unions shall
8 consider the enhanced credit union's community credit needs statement and all of
9 the following:

10 1. Activities conducted by the enhanced credit union to determine the credit
11 needs of its community.

12 2. The enhanced credit union's marketing efforts to make community members
13 aware of the credit services offered by the enhanced credit union.

14 3. Participation by the board of directors of the enhanced credit union in
15 formulating the enhanced credit union's policies and reviewing the enhanced credit
16 union's performance in helping to meet the credit needs of its community.

17 4. Practices that the enhanced credit union, or an officer, employe or director
18 of the enhanced credit union, engages in that are intended to discourage, or have the
19 effect of discouraging, applications for the types of credit identified in any plan
20 prepared by the enhanced credit union that specifies the enhanced credit union's
21 goals for helping to meet the credit needs of its community.

22 5. The geographic distribution of the enhanced credit union's credit
23 applications, extensions and denials.

24 6. Evidence of prohibited discriminatory or other illegal credit practices.

1 7. The enhanced credit union's record of opening and closing branch offices and
2 of providing services at branch offices.

3 8. The enhanced credit union's participation in, and investments in,
4 community development and redevelopment projects and programs.

5 9. The enhanced credit union's origination, to members of its community, of
6 residential mortgage loans, housing rehabilitation or improvement loans and small
7 farm loans, and the enhanced credit union's purchase of these types of loans made
8 by others to members of its community.

9 10. The enhanced credit union's participation in government-insured,
10 guaranteed or subsidized loan programs for housing, small businesses or small
11 farms.

12 11. The enhanced credit union's ability to meet community credit needs based
13 on the enhanced credit union's size and financial condition, local economic conditions
14 or other factors.

15 12. The geographic distribution and use of remote terminals under s. 186.113
16 (15) that are operated by the enhanced credit union.

17 13. The enhanced credit union's participation in credit counseling services in
18 its community.

19 14. Any other factor that affects an enhanced credit union's performance in
20 helping to meet the credit needs of its community.

21 (d) *Assessment report; confidentiality.* 1. The office of credit unions shall
22 prepare a written report summarizing the results of each assessment under par. (c).
23 The office of credit unions shall provide the enhanced credit union that is the subject
24 of the report with a copy of the report and, except as provided in subd. 2., shall make
25 the report available for public inspection. The report shall include a numerical

1 rating of the enhanced credit union's performance in helping to meet the credit needs
2 of its community. The numerical rating shall use a 1 to 5 rating system, with one
3 representing excellent performance and 5 representing unsatisfactory performance.

4 2. The office of credit unions may not make available for public inspection
5 under subd. 1. any statements obtained or made by the office of credit unions in the
6 course of the assessment that, in the discretion of the office of credit unions, are too
7 sensitive or speculative in nature to disclose to the public, or any personal financial
8 information.

9 (e) *Use of assessment upon consideration of certain applications.* The office of
10 credit unions shall consider the assessment of an enhanced credit union under par.
11 (c) whenever the office of credit unions considers any of the following applications
12 from the enhanced credit union:

- 13 1. An application to invest under s. 186.11 (1) (e).
- 14 2. An application to establish a branch office under sub. (3) (g).
- 15 3. An application to operate a remote terminal in a mobile facility under s.
16 186.113 (15) (a).
- 17 4. An application to merge with a credit union under s. 186.31.
- 18 5. An application to acquire or merge with a regional credit union under s.
19 186.41 (2) (a).

20 (f) *Assessment as basis for denial of application.* The office of credit unions may
21 use the assessment of an enhanced credit union under par. (c) as a basis for denying
22 an application of the enhanced credit union that is listed under par. (e).

23 (g) *Hearing.* The office of credit unions may hold a public hearing on an
24 application of an enhanced credit union that is listed under par. (e) if the office of

1 credit unions receives an objection to the application that is based upon any of the
2 factors used in making the assessment under par. (c).

3 (5) ADMINISTRATION. The office of credit unions, with the approval of the credit
4 union review board, shall promulgate rules for the efficient administration of this
5 section. The rules shall include all of the following:

6 (a) Minimum capital requirements applicable to enhanced credit unions that
7 are the same as the capital requirements that are applicable to banks under s.
8 221.0205.

9 (b) The form and content of a community credit needs statement and the form
10 and content of, and acceptable manner of posting, a community credit needs notice
11 under sub. (4) (a).

12 **SECTION 2.** 186.17 (3) of the statutes is created to read:

13 186.17 (3) RESERVES OF ENHANCED CREDIT UNIONS. The office of credit unions
14 shall establish the amount of reserves that are applicable to enhanced credit unions
15 under s. 186.1155. The reserve requirements established under this subsection shall
16 be the same as the reserve requirements that are applicable to banks under s.
17 221.02055.

18 **SECTION 3.** 186.41 (5m) of the statutes is amended to read:

19 186.41 (5m) BRANCHING NOT LIMITED. This section does not limit branching
20 authority under s. ss. 186.113 (1) and (1m) and 186.1155 (3) (g).

21 **SECTION 4. Nonstatutory provisions.**

22 (1) EMERGENCY RULES. Using the procedure under section 227.24 of the statutes,
23 the office of credit unions shall promulgate rules required under section 186.1155 (5)
24 of the statutes, as created by this act, for the period before permanent rules become
25 effective, but not to exceed the period authorized under section 227.24 (1) (c) and (2)

1 of the statutes. Notwithstanding section 227.24 (1) (a) and (2) (b) of the statutes, the
2 office of credit unions need not provide evidence of the necessity of preservation of
3 the public peace, health, safety or welfare in promulgating rules under this
4 subsection.

5 (END)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBa1102/1
RJM:cmh:km

**SENATE AMENDMENT ,
TO 1999 SENATE BILL 274**

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 16, line 10: delete lines 10 to 13 and substitute:

3 **"186.80 False statements.** (a) No officer, director or employe of a credit union
4 may do any of the following:

5 1. Wilfully and knowingly subscribe to or make, or cause to be made, a false
6 statement or entry in the books of the credit union.

7 2. Knowingly subscribe to or exhibit false information with the intent to deceive
8 any person authorized to examine the affairs of the credit union.

9 3. Knowingly make, state or publish any false report or statement of the credit
10 union.

11 (b) Any person who violates par. (a) may be fined not less than \$1,000 nor more
12 than \$5,000 or imprisoned for not less than one year nor more than 15 years or both."

13

(END)

~~SA 1 to 2~~

SB 274

1102

exp/rude

SA 1

Intro + adoption

| | <u>Ayes</u> |
|--------|-------------|
| Exp | ✓ |
| Javel | ✓ |
| Plache | ✓ |
| Rude | ✓ |
| Fitz | X |

SBA274

SAZ

1179

DATEP
my

intro + adoption

put
cup

Ayes

Carp X

Sachin X

Placer X

Rude X

Fitz X

SB 274

SA3

1174

definition Becken
statute

Intro + adoption

Rude
Exp

Ayes

Exp X

Janck X

Placke X

Rude X

Fitz X

SB 274
Sub 1

Rude
Plache

- intro + adopt -

| | Ages | NO |
|--------|------|----|
| Gap | | 0 |
| Jacks | | 0 |
| Plache | | 0 |
| Rude | 0 | |
| Fitz | X | |

SB 274
As amended Cup/
Plachy

Recommend passage
as amended

| | Ayes | No |
|--------|------|----|
| Cup | X | |
| Jaehn | X | |
| Plachy | X | |
| Rude | X | |
| Fitz | | X |

Exec 1-20-2000

Roll Call

| | <u>Present</u> | <u>Absent</u> |
|----------------|----------------|---------------|
| Sen Erpenbach | X | |
| Sen Fitzgerald | | |
| Sen Jauch | X | |
| Sen Plache | X | |
| Sen Rude | X | |

CUBid

SA 1

Jons - Freedom of
speech

Intro + adoption

SA 2 1174

Rude - CU's back
in DATCP

Intro + adoption

SA 3 1174

Rude - reinstates
CU definition

Intro + adoption

Sub 1 - no vote



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBa1174/1
RJM:kmg:km

SENATE AMENDMENT,
TO 1999 SENATE BILL 274

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2 1. Page 6, line 11: delete lines 11 to 16 and substitute:

3 "SECTION 2b. 186.01 (2) of the statutes is amended to read:

4 186.01 (2) "Credit union" means, except as specifically provided in ss. 186.41
5 (1) and 186.45 (1), a cooperative, nonprofit corporation, incorporated under this
6 chapter to encourage thrift among its members, create a source of credit at a fair and
7 reasonable cost and provide an opportunity for its members to improve their
8 economic and social conditions."

9 (END)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBa1179/1
RJM:kmg:hmb

SENATE AMENDMENT,
TO 1999 SENATE BILL 274

1 At the locations indicated, amend the bill as follows:

2 1. Page 1, line 11: delete the material beginning with “; the” and ending with
3 “unions” on page 2, line 2, and substitute a semicolon.

4 2. Page 6, line 1: delete lines 1 to 10.

5 (END)

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

LRBs0255/1dn
RJM:cmh:hmh

January 19, 2000

Senator Rude:

Analysis of the amendment. The attached substitute amendment authorizes certain credit unions to become certified as an "enhanced credit union." In order to obtain this certification, a credit union must apply to the office of credit unions, achieve a community reinvestment rating of 3 or better on a scale of 1 to 5 and meet capital and reserve requirements that are the same as those that apply to state banks.

Among other things, an enhanced credit union is permitted to expand its field of membership in the manner proposed in SB-274, to invest in credit union service organizations as proposed in SB-274 and to establish branch offices as proposed in SB-274. An enhanced credit union is subject to continuing community reinvestment examinations by the office of credit unions.

Issues. Please review the amendment carefully to ensure that it is consistent with your intent. You may also want to have the lobbyist review the amendment to ensure that I fully understood his instructions. In particular, it is unclear whether the capital and reserve requirements in proposed s. 186.1155 (2) (b) 2. are workable for credit unions because it is unclear whether the capital and reserve requirements that apply to state banks are predetermined or determined on a case-by-case basis. I was unable to contact anyone from the department of financial institutions to clarify this issue. Rather than require the same amount as is applicable to state banks, you may want to specify precise amounts of capital and reserves that a credit union must maintain in order to be eligible for certification as an enhanced credit union.

Robert J. Marchant
Legislative Attorney
Phone: (608) 261-4454
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State of Wisconsin
1999 - 2000 LEGISLATURE

LRBs0255/1
RJM:cmh:hmh

SENATE SUBSTITUTE AMENDMENT ,
TO 1999 SENATE BILL 274

1 **AN ACT** *to amend* 186.41 (5m); and *to create* 186.1155 and 186.17 (3) of the
2 statutes; **relating to:** membership, powers and operation of certain credit
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4 certain credit unions; and granting rule-making authority.

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

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SUBSTITUTE AMENDMENT JACKET

50255
LRB NUMBER

DATE

SENATE SUBSTITUTE AMENDMENT _____

TO _____ **BILL** _____

DO NOT WRITE IN THE SHADED AREA

Offered by Senator (s) _____

Offered by (Joint) Committee on _____

To introduce this substitute amendment: submit this amendment jacket, signed by the amendment authors, and all attached copies to the Senate Journal and Records Section, Room 402, One East Main, or to a member of the Chief Clerk's staff at the front desk in the Senate Chambers.



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PUBLIC HEARING

AJR 48 - Jon testify

AB 315 - Sub amendment announced
Jon testify

SB 248 - Jauch testify

SB 329 - Jon testify

EXECUTIVE SESSION

AJR 48 - A Motion for **RECOMMEND** passage of AJR 48?

AB 315 - There is a typo in this substitute amendment. Unless there is objection I would like to make that change by unanimous consent to amend the sub and have it redrafted. Will Leg Council please state the change for the committee?

Is there objection to **UNAMIOUS** consent for committee introduction of Senate Amendment 1 as amended to AB 315?

A Motion for **ADOPTION** of Senate Sub 1?

A Motion for **CONCURRENCE** of AB 315 AS AMENDED?

SB 248- ???A Motion for **RECOMMEND** passage of SB 248?

SB 329- A Motion for **RECOMMEND** passage of SB 329?

SB 259- This is the creation of the Consumer Privacy Advocate in the Department of Justice. Their seemed to be no concerns by the committee in regards to this legislation. Are their any objections committee members would like to address at this time?

A Motion for **RECOMMEND** passage of SB 259?

SB 267- This is the creation of a statewide DO NOT CALL list within DATCP. The substitute amendment changes the section of statute this is housed in, per Dept of Justice recommendation. There were also technical changes to make the program more self-sufficient. In addition, some changes suggested at the hearing in Menomonie were added into the sub. There are some typos in the drafting of this sub; I would like to correct those by unanimous consent right now if there are no objections and we will have the sub redrafted. Will Leg Council please read the changes?

IS THEIR OBJECTION TO UNAMIOUS consent for committee introduction of Senate Sub 1 to SB 267?

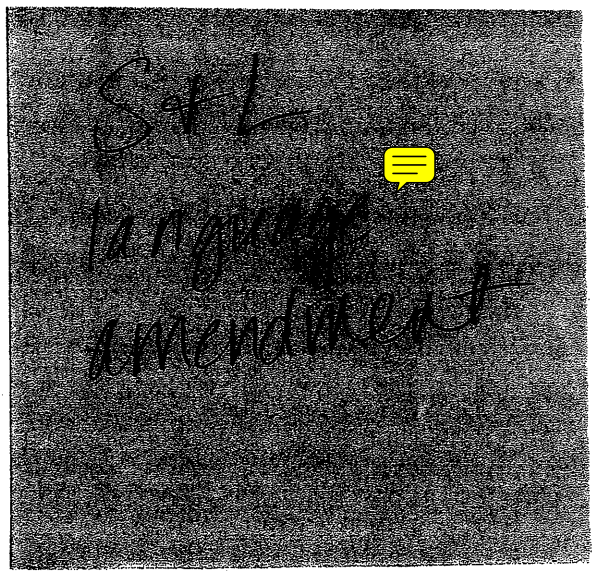
A Motion for **ADOPTION** of Senate Sub 1 as amended?

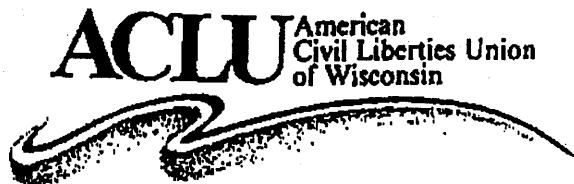
A Motion for **RECOMMEND** passage of SB 267 as AMENDED?

SB 274- A motion for **INTRODUCTION** and **ADOPTION** of Senate Amend 1?

A motion for **RECOMMENDED** passage of SB 274 as amended?

Thank you Committee members for your patience and attendance. We will have another hearing either at the end of January or early February.





ACLU DATA PRIVACY PROJECT

MEDIA RELEASE

FOR IMMEDIATE RELEASE

January 14, 2000

For Information Contact:

Carole M. Doeppers, Director

Wisconsin Data Privacy Project

122 State St., Suite 407

Madison, WI 53703

Ph: 608-250-1769 Fax: 608-258-9854

Unanimous US Supreme Court Decision On Driver Privacy A Mixed Bag

On Wednesday of this week the US Supreme Court rendered a unanimous decision that upheld the validity of a federal law limiting the disclosure of driver's license information by states. On its face this decision (*Reno v. Condon*) seems to be a victory for personal and data privacy. Clearly, the decision, and the law it upholds, sends a message that state transportation agencies can no longer earn big money from the sale of motor vehicle information to anyone who requests it -- from list brokers to telemarketers.

"But not so fast," says Carole Doeppers, Director of the ACLU of Wisconsin Data Privacy Project. "In my opinion the 1997 Driver's Privacy Protection Act (commonly known as DPPA) gives a false sense of security that motor vehicle information is finally off limits to outside third parties without the permission of the license holder."

She cautions that while the original intent of the federal law was noble, the devil is in the details! Congressional debate and special interest horse-trading resulted in the adoption of 14 exceptions to DPPA's prohibition against the general release of motor vehicle data. Those exempted from the ban include police, insurance companies, private investigators, credit agencies and even direct markets in certain circumstances.

According to Doeppers, "Only private individuals and representatives of the press are now precluded from obtaining driver information, unless they can claim to fit one of the 14 exceptions. This does not represent sound public policy."

Admittedly, DPPA provides strong protections for sensitive information such as Social Security Numbers, photographs and medical information disclosed to the Department of Transportation. But Wisconsin already protects these sensitive data under state law. In this state (contrary to many other states) a driver's photo and Social Security Number are not available to the public; nor is medical information that must be disclosed for driver licenser.

(continued on next page)

Here in Wisconsin consumers may already opt-out of the release of some of their motor vehicle data. Current state law allows Wisconsin drivers to deny permission to release their names and addresses to anyone requesting ten or more names. Known as the "ten or more opt-out," this privacy safeguard prevents motor vehicle data from falling into the hands of commercial vendors and direct marketers who want entire databases containing thousands, if not millions, of names.

Contrary to Wisconsin's opt-out privilege, the DPPA mandates that drivers opt-in (give permission) before their motor vehicle information can be released to anyone who does not meet one of the law's many exceptions. Doeppers supports the concept of consumer consent (opt-in). But she notes that special interests in Washington are already rallying their forces to rescind the opt-in provision. Given the anticipated opposition, she does not feel consumer privacy safeguards promised in the Federal legislation can be taken for granted.

And how will Wisconsin's "ten or more opt-out" be affected if Congress back-peddles on the concept of opting-in? "I'll leave that answer to the lawyers," Doeppers responded, "But one thing is for certain; it would represent a serious setback for consumer privacy in this state!"

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