

Senate

CARRIE

## COMMITTEE HEARINGS

### Committee on Privacy, Electronic Commerce and Financial Institutions

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The committee will hold a public hearing and **possible executive session** on the following items at the time specified below:

Wednesday, March 8, 2000

10:00 AM

State Capitol

Room 330 SW

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**Clearinghouse Rule 99-145** ↘

Relating to credit union examinations.

Submitted by the Department of Financial Institutions.

**Clearinghouse Rule 99-146**

Relating to the public inspection and copying of records of the office of credit unions.

Submitted by the Department of Financial Institutions.

**Senate Bill 379**

Relating to: prohibiting the investment board from making certain investments.

By Senator Moore, George, Erpenbach; cosponsored by Representative Morris-Tatum, Miller, Colon, Turner, Pocan, Young, Bock, Coggs, Berceau, Richards, Williams, Riley.

**Assembly Bill 563**

Relating to: the creation of a new type of financial institution; the powers of and requirements applicable to these financial institutions; providing an exemption from emergency rule procedures; and granting rule-making authority.

By Representative Jeskewitz, Rhoades, Kelso, Ward, Riley, F. Lasee, Huebsch, Plale, Jensen, Kestell, Ladwig, Staskunas, Montgomery, Hahn, Spillner, Owens, Ziegelbauer, Vrakas, Gronemus, Stone, Duff, Kedzie, Miller, Hoven, Leibham, Olsen, Hundertmark, Reynolds, Suder, Pettis, Walker, Klusman, Sykora, Grothman, Kreibich, Lassa; cosponsored by Senator Moore, Fitzgerald, Welch, Darling, Rosenzweig, Lazich, Rude, Drzewiecki, Farrow, Zien.

**\*\*An executive session may be held on these or any other items available for action by the committee.\*\***

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Senator Jon Erpenbach  
Chair



State of Wisconsin  
Department of Financial Institutions

Tommy G. Thompson, Governor

John F. Kundert, Secretary

SENATE COMMITTEE ON PRIVACY, ELECTRONIC COMMERCE  
& FINANCIAL INSTITUTIONS  
March 8, 2000

The Office of Credit Unions, Department of Financial Institutions is proposing that the following rules be repealed:

**Clearinghouse Rule 99-145 (DFI-CU 52)**  
Relating to credit union examinations.

**Rule to be Repealed**

**Current Statutes**

DFI-CU 52.01 Fees for examinations	Section 186.235(14), Stats.
DFI-CU 52.02 Examination procedure	Sections 186.235(16)(17), Stats.
DFI-CU 52.03 Special examinations (1)	Sections 186.235(16)(17), Stats.
DFI-CU 52.03 Special examinations (2)	Refers to section of statutes that has been repealed.
DFI-CU 52.04 Books and records	Sections 186.235(17)(18), Stats.

**Clearinghouse Rule 99-146 (DFI-CU 64)**  
Relating to the public inspection and copying of records of the Office of Credit Unions.

DFI-CU 64.01 Purpose and intent	Chapter 19, Subchapter II, Stats.
DFI-CU 64.02 Exclusions	Section 186.235(7), Stats.
DFI-CU 64.03 Availability on information	DFI Open Records Policy
DFI-CU 64.04 Identification of legal custodian to handle requests for public records	DFI Open Records Policy
DFI-CU 64.05 Cost of records	DFI Open Records Policy

*Office of Credit Unions*

**SENATE HEARING SLIP**

(Please Print Plainly)

DATE: 3-8-00

BILL NO. \_\_\_\_\_

OR

SUBJECT Credit Union

Clearinghouse Rules

Ginger Larson  
(NAME)

345 W Washington  
(Street Address or Route Number)

Madison 53708  
(City and Zip Code)

Office of Credit Unions  
(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:  
but not speaking:

Registering Against:  
but not speaking:

Speaking for information  
only; Neither for nor against:

**Please return this slip to a messenger PROMPTLY.**

Senate Sergeant-At-Arms  
State Capitol - B35 South  
P.O.Box 7882  
Madison, WI 53707-7882

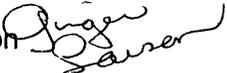
**CORRESPONDENCE / MEMORANDUM**

**STATE OF WISCONSIN  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
Office of Credit Unions**

**DATE:** February 15, 2000

**TO:** Senator Fred Risser  
President  
Wisconsin State Senate

Representative Scott Jensen  
Speaker  
Wisconsin State Assembly

**FROM:** Ginger Larson   
Director  
Office of Credit Unions

**SUBJECT:** Notice Regarding CR 99-145

Pursuant to s. 227.19(2), Stats., notice is hereby given that CR 99-145 (proposed rule DFI-CU 52) is hereby submitted to the presiding officer of each house of the legislature that CR 99-145 is in final draft form. Pursuant to s. 227.19(3), Stats., the following documentation accompanies this notice: departmental report, analysis and rule, Legislative Council report and fiscal estimate. If you have any questions regarding this matter of the enclosed, please contact me at 261-9543.

**DATE:** February 15, 2000

**TO:** Senator Fred Risser  
President  
Wisconsin State Senate

Representative Scott Jensen  
Speaker  
Wisconsin State Assembly

**FROM:** Ginger Larson   
Director  
Office of Credit Unions

**SUBJECT:** Report on CR 99-145

This report is submitted pursuant to s. 227.19, Stats., regarding CR 99-145 (proposed rule Ch. DFI-CU 52).

1. STATEMENT EXPLAINING THE NEED FOR THE PROPOSED RULE

As Chapter 186, Wisconsin Statutes, has been updated and amended throughout the years, certain provisions of the existing Administrative Code have been incorporated in Chapter 186. The provisions of existing Ch. DFI-CU 52 are incorporated in sections 186.235(14), 186.235(16), 186.235(17) and 186.235(18), Stats. Ch. DFI-CU 52.03(2) references s. 186.26, Stats., which has been repealed. This section of the rule is no longer applicable.

2. MODIFICATIONS MADE AS A RESULT OF TESTIMONY RECEIVED AT THE PUBLIC HEARING

No hearing was held pursuant to s. 227.16(2)(e), Stats.

3. PERSONS APPEARING OR REGISTERING FOR OR AGAINST THE PROPOSED RULE AT THE PUBLIC HEARING

No hearing was held pursuant to s. 227.16(2)(e), Stats.

4. RESPONSE TO LEGISLATIVE COUNCIL RECOMMENDATIONS

No recommendations were made by the Legislative Council.

5. FINAL REGULATORY FLEXIBILITY ANALYSIS

Pursuant to s. 227.19(3m), Stats., a final regulatory flexibility analysis is not required.

PROPOSED RULE  
STATE OF WISCONSIN  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
OFFICE OF CREDIT UNIONS

Analysis: To repeal DFI-CU 52. Statutory authority: ss. 186.235(8) and 227.11(2), Stats.

Summary: Ch. DFI-CU 52 outlines procedures for conducting credit union examinations, collecting examination fees, special examinations and issues regarding credit union books and records. As Chapter 186, Stats., has been updated and amended throughout the years, certain provisions of the existing Administrative Code have been incorporated into Chapter 186. The provisions of existing Ch. DFI-CU 52 are incorporated into ss. 186.235(14), 186.235(16), 186.235(17) and 186.235(18), Stats. Ch. DFI-CU 52.03(2) references s. 186.26, Stats. which has been repealed. This section of the rule is no longer applicable. The repeal of this rule was approved by the Credit Unon Review Board pursuant to s. 186.235(8), Stats. Agency person to be contacted for substantive questions and responsible for agency's internal processing: Ginger Larson, Director, Office of Credit Unions, 261-9543.

Section 1. Ch. DFI-CU 52 is repealed.

WISCONSIN LEGISLATIVE COUNCIL STAFF



***RULES CLEARINGHOUSE***

Ronald Sklansky  
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(608) 266-2982



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Legislative Council Staff  
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Madison, WI 53701-2536  
FAX: (608) 266-3830

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**CLEARINGHOUSE REPORT TO AGENCY**

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[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

**CLEARINGHOUSE RULE 99-145**

AN ORDER to repeal chapter DFI-CU 52, relating to credit union examinations.

Submitted by **DEPARTMENT OF FINANCIAL INSTITUTIONS**

10-15-99      RECEIVED BY LEGISLATIVE COUNCIL.  
11-08-99      REPORT SENT TO AGENCY.

RS:RW:jal

**LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT**

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]

Comment Attached      YES       NO

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]

Comment Attached      YES       NO

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]

Comment Attached      YES       NO

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS  
[s. 227.15 (2) (e)]

Comment Attached      YES       NO

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]

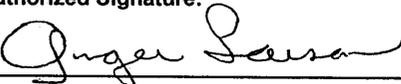
Comment Attached      YES       NO

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL  
REGULATIONS [s. 227.15 (2) (g)]

Comment Attached      YES       NO

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]

Comment Attached      YES       NO

<b>1999 Session</b>		LRB Number <b>99-145</b>
<b>FISCAL ESTIMATE</b> DOA-2048 N(R06/99)	<input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> UPDATED <input type="checkbox"/> CORRECTED <input type="checkbox"/> SUPPLEMENTAL	Bill Number
<b>Subject</b>  <b>Repeal of Chapter DFI-CU 52, Wisconsin Administrative Code</b>		Amendment No. if Applicable
		Administrative Rule Number
<b>Fiscal Effect</b>		
State: <input checked="" type="checkbox"/> No State Fiscal Effect		
Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.		
<input type="checkbox"/> Increase Existing Appropriation	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriation	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriation		
Local: <input checked="" type="checkbox"/> No local government costs		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenues	5. Types of Local Governmental Units Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others _____ <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenues	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
<b>Fund Sources Affected</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S		<b>Affected Chapter 20 Appropriations</b>
<b>Assumptions Used in Arriving at Fiscal Estimate</b>		
The proposed repeal of DFI-CU 52 is the result of updates and amendments throughout the years to Chapter 186, Wisconsin Statutes and has no effect on government expenditures at any level.		
<b>Long-Range Fiscal Implications</b> None		
Prepared by: <b>Ginger Larson</b>	Telephone No. <b>266-8893</b>	Agency <b>DFI-OCU</b>
Authorized Signature: 	Telephone No. <b>266-8893</b>	Date <b>11-15-99</b>

**FISCAL ESTIMATE WORKSHEET**

1999 Session

Detailed Estimate of Annual Fiscal Effect  
DOA-2047 (R06/99)

LRB Number <b>99-145</b>	Amendment No. if Applicable
Bill Number	Administrative Rule Number

- ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

Subject

**Repeal of Chapter DFI-CU 52, Wisconsin Administrative Code**

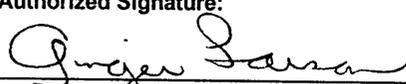
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

0

II. Annualized Costs:		Annualized Fiscal impact on State funds from:	
A. State Costs by Category		Increased Costs	Decreased Costs
State Operations - Salaries and Fringes		\$ 0	\$ -0
(FTE Position Changes)		(0 FTE)	(-0 FTE)
State Operations - Other Costs		0	-0
Local Assistance		0	-0
Aids to Individuals or Organizations		0	-0
TOTAL State Costs by Category		\$ 0	\$ -0
B. State Costs by Source of Funds		Increased Costs	Decreased Costs
GPR		\$ 0	\$ -0
FED		0	-0
PRO/PRS		0	-0
SEG/SEG-S		0	-0
State Revenues	Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Rev.	Decreased Rev.
GPR Taxes		\$	\$ -
GPR Earned			-
FED			-
PRO/PRS			-
SEG/SEG-S			-
TOTAL State Revenues		\$	\$ -

**NET ANNUALIZED FISCAL IMPACT**

	STATE	LOCAL
NET CHANGE IN COSTS	\$ 0	\$ 0
NET CHANGE IN REVENUES	\$ 0	\$ 0

Prepared by: <b>Ginger Larson</b>	Telephone No. <b>266-8893</b>	Agency <b>DFI-OCU</b>
Authorized Signature: 	Telephone No. <b>266-8898</b>	Date <b>11-15-99</b>