

2001 DRAFTING REQUEST

Bill

Received: 09/28/2000

Received By: **rmarchan**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Geisler**

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

Drafter: **rmarchan**

May Contact:

Alt. Drafters:

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

Extra Copies:

Pre Topic:

DOA:.....Geisler -

Topic:

Permit securities agents to pay interest on money being held for investment

Instructions:

See Attached. Amend definition of banking in 220.02

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>
/?	rmarchan 09/29/2000	gilfokm. 09/29/2000		_____			
/1			jfrantze 10/02/2000	_____	gretskl 10/02/2000		

FE Sent For:

<END>

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17	rmarchan	1-9/29 King	10/2	10/2			

FE Sent For:

<END>

224.02 Banking, defined. The soliciting, receiving, or accepting of money or its equivalent on deposit as a regular business by any person, partnership, association, or corporation, shall be deemed to be doing a banking business, whether such deposit is made subject to check or is evidenced by a certificate of deposit, a passbook, a note, a receipt, or other writing, provided that nothing herein shall apply to or include money left with an agent, pending investment in real estate or securities for or on account of the agent's principal. ~~Provided, however, that if money so left with an agent for investment shall not be kept in a separate trust fund or if the agent receiving such money shall mingle same with the agent's own property, whether with or without the consent of the principal, or shall make an agreement to pay any certain rate of interest thereon or any agreement to pay interest thereon other than an agreement to account for the actual income which may be derived from such money while held pending investment, the person receiving such money shall be deemed to be in the banking business.~~

DFI Item # 4

BUDGET

RMR
DOTE

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

DOA - Bud

→ Fix Request Sheet

- 1 AN ACT ^{DON'T GEN. CAT.} relating to: exempting certain investment agents from regulation as
- 2 persons engaged in the business of banking.

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT

COMMERCE

With certain exceptions, current law prohibits a person from engaging in the business of banking without being organized and chartered as a national bank, state bank, or trust company bank. Certain agents who receive and hold money, pending investment in real estate or securities on behalf of the person who deposited the money, are not engaged in the business of banking, as that term is currently defined. However, this exemption from the definition of banking only applies if the agent keeps the money in a separate trust fund, does not mingle the money with the agent's own property, and does not agree to pay interest on the money other than to account for the actual income that is derived from the money while held pending investment.

This bill expands this exemption from the definition of banking. Under this bill, an agent who receives and holds money, pending investment in real estate or securities on behalf of the person who deposits the money, is not engaged in the business of banking, regardless of whether the money is separately kept and regardless of whether the agent agrees to pay interest on the money. Thus, under this bill, an agent may pay interest on money that the agent receives and holds, pending investment in real estate or securities on behalf of the person who deposited the money.

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

0597 / 1 dn
LRB-0240/P1dn
RJM:kmg:jf
↑

September 20, 2000

1
Jeff Geister:

Please review this draft carefully to ensure that it is consistent with your intent. This bill amends the definition of banking in s. 224.02, stats., to exclude the activities of certain investment agents.

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

LRB-0597/1dn
RJM:kmg:jf

October 2, 2000

Jeff Geisler:

Please review this draft carefully to ensure that it is consistent with your intent. This bill amends the definition of banking in s. 224.02, stats., to exclude the activities of certain investment agents.

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



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-0597/1
RJM:kmg:jf

DOA:.....Geisler – Permit securities agents to pay interest on money being held for investment

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: exempting certain investment agents from regulation as
2 persons engaged in the business of banking.

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