

SENATE BILL 55**SECTION 2939**

1 *~~0601/1.4~~* **SECTION 2939.** 186.02 (2) (b) 2. of the statutes is amended to read:

2 186.02 (2) (b) 2. Residents Except as otherwise provided in this subdivision,
3 individuals who reside or are employed within a well-defined neighborhood,
4 ~~community or rural district~~ and contiguous neighborhoods and communities. If the
5 office of credit unions, subsequent to a credit union merger, determines that it would
6 be inappropriate under the circumstances to require members of the credit union
7 that results from the merger to reside or be employed in contiguous neighborhoods
8 and communities, the requirement that these neighborhoods and communities be
9 contiguous does not apply.

10 *~~0601/1.5~~* **SECTION 2940.** 186.02 (2) (b) 2m. of the statutes is created to read:

11 186.02 (2) (b) 2m. Individuals who reside or are employed within well-defined
12 and contiguous rural districts or multicounty regions.

13 *~~0601/1.6~~* **SECTION 2941.** 186.02 (2) (c) of the statutes is amended to read:

14 186.02 (2) (c) Members of the immediate family of all qualified persons are
15 eligible for membership. ~~In this paragraph, “members of the immediate family”~~
16 ~~include the wife, husband, parents, stepchildren and children of a member whether~~
17 ~~living together in the same household or not and any other relatives of the member~~
18 ~~or spouse of a member living together in the same household as the member.~~

19 *~~0601/1.7~~* **SECTION 2942.** 186.02 (2) (d) of the statutes is renumbered 186.02
20 (2) (d) 1. and amended to read:

21 186.02 (2) (d) 1. ~~Organizations and associations~~ An organization or association
22 of individuals, the majority of ~~whom~~ the directors, owners, or members of which are
23 eligible for membership, may be admitted to membership in the same manner and
24 under the same conditions as individuals.

25 *~~0601/1.8~~* **SECTION 2943.** 186.02 (2) (d) 2. of the statutes is created to read:

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1 186.02 (2) (d) 2. An organization or association that has its principal business
2 location within any geographic limits of the credit union's field of membership may
3 be admitted to membership.

4 *~~0601/1.9~~* **SECTION 2944.** 186.11 (4) (title) of the statutes is amended to read:

5 186.11 (4) (title) INVESTMENT IN CREDIT UNION SERVICE CORPORATIONS
6 ORGANIZATIONS.

7 *~~0601/1.10~~* **SECTION 2945.** 186.11 (4) (a) of the statutes is renumbered 186.11
8 (4) (a) (intro.) and amended to read:

9 186.11 (4) (a) (intro.) ~~A~~ Unless the office of credit unions approves a higher
10 percentage, a credit union may invest not more than 1.5% of its total assets in the
11 capital shares or obligations of a credit union service corporation organizations that
12 satisfy all of the following:

13 2. Are organized primarily to provide goods and services to credit unions, credit
14 union organizations, and credit union members.

15 *~~0601/1.11~~* **SECTION 2946.** 186.11 (4) (a) 1. of the statutes is created to read:

16 186.11 (4) (a) 1. Are corporations, limited partnerships, limited liability
17 companies, or other entities that are permitted under the laws of this state and that
18 are approved by the office of credit unions.

19 *~~0601/1.12~~* **SECTION 2947.** 186.11 (4) (b) (intro.) and 1. of the statutes are
20 amended to read:

21 186.11 (4) (b) (intro.) ~~A credit union service corporation organization~~ under par.
22 (a) may provide goods and services including any of the following:

23 1. Credit union operations services, including service centers, credit and debit
24 card services, automated teller and remote terminal services, electronic transaction
25 services, accounting systems, data processing, management training and support,

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1 payment item processing, record retention and storage, locator services, research,
2 debt collection, credit analysis and loan servicing, coin and currency services, and
3 marketing and advertising services.

4 ***-0601/1.13* SECTION 2948.** 186.11 (4) (c) of the statutes is amended to read:

5 186.11 (4) (c) A credit union service corporation organization may be subject
6 to audit by the office of credit unions.

7 ***-0601/1.14* SECTION 2949.** 186.113 (1) of the statutes is amended to read:

8 186.113 (1) BRANCH OFFICES. ~~If the need and necessity exist and with~~ With the
9 approval of the office of credit unions, establish branch offices inside ~~this state or no~~
10 ~~more than 25 miles~~ or outside of this state. Permanent records may be maintained
11 at branch offices established under this subsection. In this subsection, the term
12 “branch office” does not include a remote terminal, a limited services office, or a
13 service center.

14 ***-0601/1.15* SECTION 2950.** 186.113 (1m) (a) (intro.) of the statutes is
15 amended to read:

16 186.113 (1m) (a) (intro.) ~~Establish~~ Before the effective date of this paragraph
17 [revisor inserts date], establish limited services offices outside this state to serve
18 any member of the credit union if all of the following requirements are met:

19 ***-0601/1.16* SECTION 2951.** 186.113 (6) (b) and (c) of the statutes are amended
20 to read:

21 186.113 (6) (b) Act as trustees or custodians of member tax deferred retirement
22 funds, individual retirement accounts, medical savings accounts, or other employee
23 benefit accounts or funds permitted by federal law to be deposited in a credit union.

24 (c) Act as a depository for ~~member-deferred~~ member qualified and
25 nonqualified deferred compensation funds as permitted by federal law.

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1 ***-0601/1.17*** **SECTION 2952.** 186.113 (24) of the statutes is created to read:

2 186.113 (24) FUNERAL TRUSTS. Accept deposits made by members for the
3 purpose of funding burial agreements by trusts created pursuant to s. 445.125.

4 ***-0601/1.18*** **SECTION 2953.** 186.20 of the statutes is created to read:

5 **186.20 Financial privacy.** A credit union shall comply with any applicable
6 requirements under 15 USC 6801 to 6803 and any applicable regulations prescribed
7 by the national credit union administration under 15 USC 6804.

8 ***-0601/1.19*** **SECTION 2954.** 186.235 (7) (a) (intro.) of the statutes is amended
9 to read:

10 186.235 (7) (a) (intro.) Employees of the office of credit unions and members
11 of the review board shall keep secret all the facts and information obtained in the
12 course of examinations, except or contained in any report provided by a credit union
13 other than any semiannual or quarterly financial report that is regularly filed with
14 the office of credit unions. This requirement does not apply in any of the following
15 situations:

16 ***-0601/1.20*** **SECTION 2955.** 186.235 (7) (c) of the statutes is created to read:

17 186.235 (7) (c) If any person mentioned in par. (a) discloses any information
18 about the private account or transactions of a credit union or any information
19 obtained in the course of an examination of a credit union, except as provided in pars.
20 (a) and (b), that person may be required to forfeit his or her office or position and may
21 be fined not less than \$100 nor more than \$1,000, or imprisoned for not less than 6
22 months nor more than 3 years, or both.

23 ***-0601/1.21*** **SECTION 2956.** 186.235 (7m) of the statutes is created to read:

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1 186.235 (7m) RETURN OF EXAMINATION REPORTS. Examination reports possessed
2 by a credit union are confidential, remain the property of the office of credit unions,
3 and shall be returned to the office of credit unions immediately upon request.

4 *–0601/1.22* SECTION 2957. 186.235 (16) (a) of the statutes is renumbered
5 186.235 (16).

6 *–0601/1.23* SECTION 2958. 186.235 (16) (b) of the statutes is repealed.

7 *–0601/1.24* SECTION 2959. 186.235 (16m) of the statutes is created to read:
8 186.235 (16m) FINANCIAL PRIVACY EXAMINATION. The office of credit unions shall
9 examine a credit union to determine the credit union’s compliance with s. 186.20.

10 *–0601/1.25* SECTION 2960. 186.36 of the statutes is amended to read:

11 **186.36 Sale of insurance in credit unions.** Any officer or employee of a
12 credit union, when acting as an agent for the sale of insurance on behalf of the credit
13 union, shall pay all commissions received from the sale of ~~credit life insurance or~~
14 ~~credit accident and sickness~~ insurance to the credit union.

15 *–0601/1.26* SECTION 2961. 186.41 (title) of the statutes is amended to read:

16 **186.41 (title) Interstate acquisition acquisitions and merger mergers**
17 **of credit unions.**

18 *–0601/1.27* SECTION 2962. 186.41 (1) (a) of the statutes is renumbered 186.41
19 (1) (bm) and amended to read:

20 186.41 (1) (bm) “~~In-state~~ Wisconsin credit union” means a credit union having
21 its principal office located in this state.

22 *–0601/1.28* SECTION 2963. 186.41 (1) (c) of the statutes is renumbered 186.41
23 (1) (am) and amended to read:

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1 186.41 (1) (am) ~~“Regional Out-of-state credit union”~~ means a state or federal
2 credit union ~~that has its, the principal office of which is located in one of the regional~~
3 ~~states~~ a state other than this state.

4 *~~0601/1.29~~* SECTION 2964. 186.41 (1) (d) of the statutes is repealed.

5 *~~0601/1.30~~* SECTION 2965. 186.41 (2) and (3) of the statutes are amended to
6 read:

7 186.41 (2) ~~IN-STATE~~ WISCONSIN CREDIT UNION. (a) ~~An in-state~~ A Wisconsin credit
8 union may do any of the following:

9 1. Acquire an interest in, or some or all of the assets and liabilities of, one or
10 more ~~regional out-of-state~~ credit unions.

11 2. Merge with one or more ~~regional out-of-state~~ credit unions.

12 (b) ~~An in-state~~ A Wisconsin credit union proposing any action under par. (a)
13 shall provide the office of credit unions a copy of any original application seeking
14 approval by a federal agency or by an agency of ~~the regional~~ another state and of any
15 supplemental material or amendments filed in connection with any application.

16 (3) ~~REGIONAL OUT-OF-STATE~~ CREDIT UNIONS. Except as provided in sub. (4), a
17 ~~regional~~ an out-of-state credit union may do any of the following:

18 (a) Acquire an interest in, or some or all of the assets of, one or more ~~in-state~~
19 Wisconsin credit unions.

20 (b) Merge with one or more ~~in-state~~ Wisconsin credit unions.

21 *~~0601/1.31~~* SECTION 2966. 186.41 (4) (intro.), (a) to (d) and (f) of the statutes
22 are amended to read:

23 186.41 (4) LIMITATIONS. (intro.) ~~A regional~~ An out-of-state credit union may
24 not take any action under sub. (3) until all of the following conditions have been met:

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1 (a) The office of credit unions finds that the statutes of the ~~regional~~ state in
2 which the ~~regional out-of-state~~ credit union has its principal office permit ~~in-state~~
3 Wisconsin credit unions to both acquire ~~regional out-of-state~~ credit union assets and
4 merge with one or more ~~regional out-of-state~~ credit unions in the ~~regional~~ that state.

5 (b) The office of credit unions has not disapproved the acquisition of ~~in-state~~
6 Wisconsin credit union assets or the merger with the ~~in-state~~ Wisconsin credit union
7 under sub. (5).

8 (c) The office of credit unions gives a class 3 notice, under ch. 985, in the official
9 state newspaper, of the application to take an action under sub. (3) and of the
10 opportunity for a hearing and, if at least 25 residents of this state petition for a
11 hearing within 30 days of the final notice or if the office of credit unions on its own
12 motion calls for a hearing within 30 days of the final notice, the office of credit unions
13 holds a public hearing on the application, except that a hearing is not required if the
14 office of credit unions finds that an emergency exists and that the proposed action
15 under sub. (3) is necessary and appropriate to prevent the probable failure of ~~an~~
16 ~~in-state~~ a Wisconsin credit union that is closed or in danger of closing.

17 (d) The office of credit unions is provided a copy of any original application
18 seeking approval by a federal agency of the acquisition of ~~in-state~~ Wisconsin credit
19 union assets or of the merger with ~~an in-state~~ a Wisconsin credit union and of any
20 supplemental material or amendments filed with the application.

21 (f) With regard to an acquisition of assets of ~~an in-state~~ a Wisconsin credit
22 union that is chartered on or after May 9, 1986, the ~~in-state~~ Wisconsin credit union
23 has been in existence for at least 5 years before the date of acquisition.

24 ***-0601/1.32* SECTION 2967.** 186.41 (5) (a), (b), (c) and (cr) of the statutes are
25 amended to read:

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1 186.41 (5) (a) Considering the financial and managerial resources and future
2 prospects of the applicant and of the ~~in-state~~ Wisconsin credit union concerned, the
3 action would be contrary to the best interests of the members of the ~~in-state~~
4 Wisconsin credit union.

5 (b) The action would be detrimental to the safety and soundness of the
6 applicant or of the ~~in-state~~ Wisconsin credit union concerned, or to a subsidiary or
7 affiliate of the applicant or of the ~~in-state~~ Wisconsin credit union.

8 (c) Because the applicant, its executive officers, or directors have not
9 established a record of sound performance, efficient management, financial
10 responsibility, and integrity, the action would be contrary to the best interests of the
11 creditors, ~~the members or, the~~ other customers of the applicant ~~or of the in-state, the~~
12 Wisconsin credit union, ~~or contrary to the best interests of the public.~~

13 (cr) The applicant has failed to propose to provide adequate and appropriate
14 services of the type contemplated by the community reinvestment act of 1977 in the
15 community in which the ~~in-state~~ Wisconsin credit union which the applicant
16 proposes to acquire or merge with is located.

17 *~~0601/1.33~~* **SECTION 2968.** 186.41 (6) (a) of the statutes is renumbered 186.41
18 (6).

19 *~~0601/1.34~~* **SECTION 2969.** 186.41 (6) (b) of the statutes is repealed.

20 *~~0601/1.35~~* **SECTION 2970.** 186.41 (8) of the statutes is repealed.

21 *~~0601/1.36~~* **SECTION 2971.** 186.45 of the statutes is created to read:

22 **186.45 Non-Wisconsin credit union, Wisconsin offices.** (1) DEFINITIONS.

23 In this section:

24 (a) “Non-Wisconsin credit union” means a credit union organized under the
25 laws of and with its principal office located in a state other than this state.

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1 (b) “Wisconsin credit union” has the meaning given in s. 186.41 (1) (bm).

2 (2) APPROVAL. A non-Wisconsin credit union may open an office and conduct
3 business as a credit union in this state if the office of credit unions finds that
4 Wisconsin credit unions are allowed to do business in the other state under
5 conditions similar to those contained in this section and that all of the following apply
6 to the non-Wisconsin credit union:

7 (a) It is a credit union organized under laws similar to the credit union laws of
8 this state.

9 (b) It is financially solvent based upon national board ratings.

10 (c) It has member savings insured with federal share insurance.

11 (d) It is effectively examined and supervised by the credit union authorities of
12 the state in which it is organized.

13 (e) It has received approval from the credit union authorities of the state in
14 which it is organized.

15 (f) It has a need to place an office in this state to adequately serve its members
16 in this state.

17 (g) It meets all other relevant standards or qualifications established by the
18 office of credit unions.

19 (3) REQUIREMENTS. A non-Wisconsin credit union shall agree to do all of the
20 following:

21 (a) Grant loans at rates not in excess of the rates permitted for Wisconsin credit
22 unions.

23 (b) Comply with this state’s laws.

24 (c) Designate and maintain an agent for the service of process in this state.

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1 (4) RECORDS. As a condition of a non-Wisconsin credit union doing business in
2 this state under this section, the office of credit unions may require copies of
3 examination reports and related correspondence regarding the non-Wisconsin
4 credit union.

5 *~~0601/1.37~~* **SECTION 2972.** 186.80 of the statutes is created to read:

6 **186.80 False statements.** (a) No officer, director, or employee of a credit
7 union may do any of the following:

8 1. Willfully and knowingly subscribe to or make, or cause to be made, a false
9 statement or entry in the books of the credit union.

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

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

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

16 *~~2007/2.16~~* **SECTION 2973.** 196.01 (3n) of the statutes is repealed.

17 *~~2007/2.17~~* **SECTION 2974.** 196.01 (3p) of the statutes is repealed.

18 *~~2007/2.18~~* **SECTION 2975.** 196.01 (3q) of the statutes is renumbered 101.91
19 (6m) and amended to read:

20 101.91 (6m) “Mobile Manufactured home park contractor” means a person,
21 other than a public utility, as defined in s. 196.01 (5) (a), who, under a contract with
22 a mobile manufactured home park operator, provides water or sewer service to a
23 mobile manufactured home park occupant or performs a service related to providing
24 water or sewer service to a mobile manufactured home park occupant.

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1 ***-2007/2.19*** **SECTION 2976.** 196.01 (3s) of the statutes is renumbered 101.91
2 (7) and amended to read:

3 101.91 (7) "Mobile Manufactured home park occupant" means a person who
4 rents or owns a mobile manufactured home in a mobile manufactured home park.

5 ***-2007/2.20*** **SECTION 2977.** 196.01 (3t) of the statutes is renumbered 101.91
6 (8) and amended to read:

7 101.91 (8) "Mobile Manufactured home park operator" means a person
8 engaged in the business of owning or managing a mobile manufactured home park.

9 ***-2154/1.1*** **SECTION 2978.** 196.07 (2) of the statutes is amended to read:

10 196.07 (2) If a public utility fails to file a report with the commission containing
11 its balance sheet and other information prescribed by the commission by the date the
12 report is due under sub. (1), the commission may prepare the report from the records
13 of the public utility. All expenses of the commission in preparing the report, plus a
14 penalty equal to 50% of the amount of the expenses, shall be assessed against and
15 collected from the public utility under s. 196.85. The amount of the charge to a public
16 utility shall not be limited by s. 196.85 (1) (b) and shall be in addition to any other
17 charges assessable under s. 196.85. The penalty provision of the charge shall be
18 credited to the general fund under s. 20.906.

19 ***-1694/11.14*** **SECTION 2979.** 196.195 (12) (b) 1. d. of the statutes is repealed.

20 ***-1694/11.15*** **SECTION 2980.** 196.196 (1) (cm) of the statutes is repealed.

21 ***-1694/11.16*** **SECTION 2981.** 196.196 (5) (b) 6. of the statutes is repealed.

22 ***-0705/3.14*** **SECTION 2982.** 196.218 (5) (a) 5. of the statutes is amended to
23 read:

24 196.218 (5) (a) 5. To pay costs incurred under contracts under s. 16.974 (7) to
25 the extent that these costs are not paid under s. 44.73 (2) (d), except that no moneys

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1 in the universal service fund may be used to pay installation costs that are necessary
2 for a political subdivision to obtain access to bandwidth under a shared service
3 agreement under s. 44.73 (2r) (a).

****NOTE: This is reconciled s. 196.218 (5) (a) 5. This SECTION has been affected by drafts with the following LRB#s: LRB-1857.

4 ***-1857/5.112* SECTION 2983.** 196.218 (5) (a) 6. of the statutes is amended to
5 read:

6 196.218 (5) (a) 6. To pay the department of ~~administration~~ electronic
7 government for telecommunications services provided under s. ~~16.973~~ 22.05 (1) to
8 the campuses of the University of Wisconsin System at River Falls, Stout, Superior
9 and Whitewater.

10 ***-1694/11.17* SECTION 2984.** 196.218 (5r) (a) 4. of the statutes is amended to
11 read:

12 196.218 (5r) (a) 4. An assessment of how successful investments identified in
13 s. 196.196 (5) (f), assistance provided by the universal service fund ~~or the Wisconsin~~
14 ~~advanced telecommunications foundation,~~ and price regulation and other
15 alternative incentive regulations of telecommunications utilities designed to
16 promote competition have been in advancing the public interest goals identified
17 under s. 196.03 (6), and recommendations for further advancing those goals.

18 ***-1696/2.1* SECTION 2985.** 196.219 (4) (a) of the statutes is amended to read:

19 196.219 (4) (a) ~~On the commission's own motion or upon complaint filed by the~~
20 ~~consumer, the~~ The commission, in its own name or on behalf of consumers, shall have
21 jurisdiction to take administrative action, including initiating a contested case, or to
22 commence civil actions against telecommunications utilities or providers to enforce
23 this section.

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1 *~~1696/2.2~~* **SECTION 2986.** 196.219 (4) (b) of the statutes is amended to read:

2 196.219 (4) (b) The commission, in its own name or on behalf of consumers,
3 ~~may, at its discretion, take administrative action, including initiating a contested~~
4 case, or institute in any court of competent jurisdiction a proceeding against a
5 telecommunications utility or provider for injunctive relief, to compel compliance
6 with this section, to compel the accounting and refund of any moneys collected in
7 violation of this section, or for any other appropriate relief permitted under this
8 ~~chapter.~~ The commission may directly impose forfeitures for violations of this
9 section.

10 *~~1696/2.3~~* **SECTION 2987.** 196.219 (4m) (b) of the statutes is amended to read:

11 196.219 (4m) (b) ~~Upon request of the commission, the attorney general may~~
12 The commission may take administrative action, including initiating a contested
13 case, or bring an action to require a telecommunications utility or provider to
14 compensate any person for any pecuniary loss caused by the failure of the utility or
15 provider to comply with this section. Upon the request of the commission, the
16 attorney general may bring an action specified in this paragraph.

17 *~~1696/2.4~~* **SECTION 2988.** 196.22 of the statutes is amended to read:

18 **196.22 Discrimination forbidden.** No public utility may charge, demand,
19 collect, or receive more or less compensation for any service performed by it within
20 the state, or for any service in connection therewith, than is specified in the schedules
21 for the service filed under s. 196.19, including schedules of joint rates, as may at the
22 time be in force, or demand, collect, or receive any rate, toll, or charge not specified
23 in the schedule. Payments made for violations of this chapter by telecommunications
24 providers are not contrary to this section.

25 *~~2007/2.21~~* **SECTION 2989.** 196.26 (1) (a) of the statutes is amended to read:

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1 196.26 (1) (a) A complaint filed with the commission that any rate, toll, charge,
2 or schedule, joint rate, regulation, measurement, act, or practice relating to the
3 provision of heat, light, water, power, or telecommunications service, ~~or to the~~
4 ~~provision of water or sewer service by a mobile home park operator or mobile home~~
5 ~~park contractor,~~ is unreasonable, inadequate, unjustly discriminatory, or cannot be
6 obtained.

7 *~~2007/2.22~~* **SECTION 2990.** 196.26 (1m) of the statutes is amended to read:

8 196.26 (1m) INVESTIGATION OF COMPLAINT. If any mercantile, agricultural, or
9 manufacturing society, body politic, municipal organization, or 25 persons file a
10 complaint specified in sub. (1) (a) against a public utility, or if the commission
11 terminates a proceeding on a complaint under s. 196.199 (3) (a) 1m. b., or if a person
12 files a complaint specified in sub. (1) (c), the commission, with or without notice, may
13 investigate the complaint under this section as it considers necessary. ~~If the mobile~~
14 ~~home park occupants of 25% of the total number of mobile homes in a mobile home~~
15 ~~park or the mobile home park occupants of 25 mobile homes in a mobile home park,~~
16 ~~whichever is less, files a complaint specified in sub. (1) (a) against a mobile home park~~
17 ~~contractor or mobile home park operator, the commission, with or without notice,~~
18 ~~may investigate the complaint as it considers necessary.~~ The commission may not
19 issue an order based on an investigation under this subsection without a public
20 hearing.

21 *~~2007/2.23~~* **SECTION 2991.** 196.26 (2) (a) of the statutes is amended to read:

22 196.26 (2) (a) Prior to a hearing under this section, the commission shall notify
23 the public utility, ~~mobile home park contractor, mobile home park operator or party~~
24 to an interconnection agreement complained of that a complaint has been made, and
25 10 days after the notice has been given the commission may proceed to set a time and

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1 place for a hearing and an investigation. This paragraph does not apply to a
2 complaint specified in sub. (1) (b).

3 ***-2007/2.24* SECTION 2992.** 196.26 (2) (b) of the statutes is amended to read:

4 196.26 (2) (b) The commission shall give the complainant and either the public
5 utility, ~~mobile home park contractor, mobile home park operator~~ or party to an
6 interconnection agreement which is the subject of a complaint specified in sub. (1)
7 (a) or (c) or, for a complaint specified in sub. (1) (b), a party to an interconnection
8 agreement who is identified in a notice under s. 196.199 (3) (b) 1. b., 10 days' notice
9 of the time and place of the hearing and the matter to be considered and determined
10 at the hearing. The complainant and either the public utility, ~~mobile home park~~
11 ~~contractor, mobile home park operator~~ or party to the interconnection agreement
12 may be heard. The commission may subpoena any witness at the request of the
13 public utility, ~~mobile home park contractor, mobile home park operator,~~ party to the
14 interconnection agreement, or complainant.

15 ***-2007/2.25* SECTION 2993.** 196.28 (1) of the statutes is amended to read:

16 196.28 (1) If the commission believes that any rate or charge is unreasonable
17 or unjustly discriminatory or that any service is inadequate or cannot be obtained
18 or that an investigation of any matter relating to any public utility ~~or to any provision~~
19 ~~of water or sewer service by a mobile home park operator or mobile home park~~
20 ~~contractor~~ should for any reason be made, the commission on its own motion
21 summarily may investigate with or without notice.

22 ***-2007/2.26* SECTION 2994.** 196.28 (3) of the statutes is amended to read:

23 196.28 (3) Notice of the time and place for a hearing under sub. (2) shall be
24 given to the public utility, ~~mobile home park contractor or mobile home park~~
25 ~~operator,~~ and to such other interested persons as the commission considers

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1 necessary. After the notice has been given, proceedings shall be had and conducted
2 in reference to the matter investigated as if a complaint specified in s. 196.26 (1) (a)
3 had been filed with the commission relative to the matter investigated. The same
4 order or orders may be made in reference to the matter as if the investigation had
5 been made on complaint under s. 196.26.

6 ***-1696/2.5* SECTION 2995.** 196.37 (1) of the statutes is amended to read:

7 196.37 (1) If, after an investigation under this chapter or ch. 197, the
8 commission finds rates, tolls, charges, schedules, or joint rates to be unjust,
9 unreasonable, insufficient, or unjustly discriminatory or preferential, or otherwise
10 unreasonable or unlawful, the commission shall determine and order reasonable
11 rates, tolls, charges, schedules, or joint rates to be imposed, observed, and followed
12 in the future and, with respect to rates, tolls, charges, schedules, or joint rates of
13 telecommunications providers, may determine and order reasonable compensation
14 for persons injured by reason of such rates, tolls, charges, schedules, or joint rates.

15 ***-1695/4.5* SECTION 2996.** 196.374 (1) (b) of the statutes is repealed.

16 ***-1695/4.6* SECTION 2997.** 196.374 (3) of the statutes is amended to read:

17 196.374 (3) ~~In~~ Except as provided in sub. (3m), in 2000, 2001 and 2002, the
18 commission shall require each utility to spend a decreasing portion of the amount
19 determined under sub. (2) on programs specified in sub. (2) and contribute the
20 remaining portion of the amount to the commission for deposit in the utility public
21 benefits fund. ~~In~~ Except as provided in sub. (3m), in each year after 2002, each utility
22 shall contribute the entire amount determined under sub. (2) to the commission for
23 deposit in the utility public benefits fund. The commission shall ensure in
24 rate-making orders that a utility recovers from its ratepayers the amounts spent on
25 programs or contributed to the utility public benefits fund under this subsection or

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1 deposited into the farm rewiring fund under sub. (3m). The commission shall allow
2 each utility the option of continuing to use, until January 1, 2002, the moneys that
3 it has recovered under s. 196.374 (3), 1997 stats., to administer the programs that
4 it has funded under s. 196.374 (1), 1997 stats. The commission may allow each utility
5 to spend additional moneys on the programs specified in sub. (2) if the utility
6 otherwise complies with the requirements of this section and s. 16.957 (4).

7 ***-1695/4.7* SECTION 2998.** 196.374 (3m) of the statutes is created to read:

8 196.374 (3m) In fiscal year 2001–02, the first \$1,500,000 that is contributed
9 under sub. (3) in that fiscal year shall be deposited in the farm rewiring fund. In
10 fiscal year 2002–03, the first \$2,500,000 that is contributed under sub. (3) in that
11 fiscal year shall be deposited in the farm rewiring fund.

12 ***-1695/4.8* SECTION 2999.** 196.374 (4) of the statutes is amended to read:

13 196.374 (4) If the department notifies the commission under s. 16.957 (2) (b)
14 2. that the department has reduced funding for energy conservation and efficiency
15 and renewable resource programs by an amount that is greater than the portion of
16 the public benefits fee specified in s. 16.957 (4) (c) 2., the commission shall reduce the
17 amount that utilities are required to spend on programs or contribute to the utility
18 public benefits fund under sub. (3) by the portion of the reduction that exceeds the
19 amount of public benefits fees specified in s. 16.957 (4) (c) 2.

20 ***-1696/2.6* SECTION 3000.** 196.44 (1) of the statutes is renumbered 196.44 (1)
21 (a).

22 ***-1696/2.7* SECTION 3001.** 196.44 (1) (b) of the statutes is created to read:

23 196.44 (1) (b) The commission may take administrative action and institute
24 and prosecute all necessary actions or proceedings for the enforcement of all laws
25 relating to telecommunications providers and for the punishment of all violations.

SENATE BILL 55**SECTION 3002**

1 *~~2007/2.27~~* **SECTION 3002.** 196.498 (title) of the statutes is repealed.

2 *~~2007/2.28~~* **SECTION 3003.** 196.498 (2) of the statutes is renumbered 101.937
3 (1) and amended to read:

4 101.937 (1) **RULES.** The ~~commission~~ department shall promulgate rules that
5 establish standards for providing water or sewer service by a ~~mobile~~ manufactured
6 home park operator or ~~mobile~~ manufactured home park contractor to a ~~mobile~~
7 manufactured home park occupant, including requirements for metering, billing,
8 ~~deposits, depositing, arranging~~ deferred payment arrangements, ~~installation of,~~
9 installing service, refusing or discontinuing service, and resolving disputes with
10 respect to service. Rules promulgated under this subsection shall ensure that any
11 charge for water or sewer service is reasonable and not unjustly discriminatory, that
12 the water or sewer service is reasonably adequate, and that any practice relating to
13 providing the service is just and reasonable.

14 *~~2007/2.29~~* **SECTION 3004.** 196.498 (3) of the statutes is renumbered 101.937
15 (2) and amended to read:

16 101.937 (2) **PERMANENT IMPROVEMENTS.** A ~~mobile~~ manufactured home park
17 operator may make a reasonable recovery of capital costs for permanent
18 improvements related to the provision of water or sewer service to ~~mobile~~
19 manufactured home park occupants through ongoing rates for water or sewer
20 service.

21 *~~2007/2.30~~* **SECTION 3005.** 196.498 (4) of the statutes is renumbered 101.937
22 (3) and amended to read:

23 101.937 (3) **ENFORCEMENT.** (a) ~~Notwithstanding s. 196.44, on~~ On its own motion
24 or upon a complaint filed by a ~~mobile~~ manufactured home park occupant, the
25 ~~commission~~ department may issue an order or commence a civil action against a

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1 mobile manufactured home park operator or mobile manufactured home park
2 contractor to enforce this section, any rule promulgated under sub. ~~(2)~~ (1), or any
3 order issued under this paragraph.

4 (b) The department of justice, after consulting with the ~~commission~~
5 department, or any district attorney may commence an action in circuit court to
6 enforce this section.

7 ***-2007/2.31* SECTION 3006.** 196.498 (5) of the statutes is renumbered 101.937
8 (4) and amended to read:

9 101.937 (4) PRIVATE CAUSE OF ACTION. Any person suffering pecuniary loss
10 because of a violation of any rule promulgated under sub. ~~(2)~~ (1) or order issued under
11 sub. ~~(4)~~ (3) (a) may sue for damages and shall recover twice the amount of any
12 pecuniary loss, together with costs, and, notwithstanding s. 814.04 (1), reasonable
13 attorney fees.

14 ***-2007/2.32* SECTION 3007.** 196.498 (6) of the statutes is renumbered 101.937
15 (5) and amended to read:

16 101.937 (5) PENALTIES. (a) Any person who violates any rule promulgated
17 under sub. ~~(2)~~ (1) or any order issued under sub. ~~(4)~~ (3) (a) shall forfeit not less than
18 \$25 nor more than \$5,000. Each violation and each day of violation constitutes a
19 separate offense.

20 (b) Any person who intentionally violates any rule promulgated under sub. ~~(2)~~
21 (1) or order issued under sub. ~~(4)~~ (3) (a) shall be fined not less than \$25 nor more than
22 \$5,000 or imprisoned not more than one year in the county jail or both. Each violation
23 and each day of violation constitutes a separate offense.

24 ***-1696/2.8* SECTION 3008.** 196.499 (12) (am) of the statutes is created to read:

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1 196.499 (12) (am) The commission may take administrative action and
2 institute and prosecute all necessary actions or proceedings for the enforcement of
3 all laws relating to telecommunications carriers and for the punishment of all
4 violations.

5 *~~1695/4.9~~* **SECTION 3009.** 196.64 (3) of the statutes is created to read:

6 196.64 (3) This section does not apply to damages resulting from stray voltage.

7 *~~1696/2.9~~* **SECTION 3010.** 196.66 (1) of the statutes is amended to read:

8 196.66 (1) **GENERAL FORFEITURE; FAILURE TO OBEY.** If any public utility violates
9 this chapter or ch. 197 or fails or refuses to perform any duty enjoined upon it for
10 which a penalty has not been provided, or fails, neglects, or refuses to obey any lawful
11 requirement or order of the commission or the governing body of a municipality or
12 a sanitary commission or any judgment or decree of any court upon its application,
13 for every violation, failure, or refusal the public utility shall forfeit not less than \$25
14 nor more than \$5,000. The commission may impose a forfeiture against a
15 telecommunications provider under this section by administrative action.

16 *~~1696/2.10~~* **SECTION 3011.** 196.66 (3) (b) (intro.) of the statutes is amended
17 to read:

18 196.66 (3) (b) (intro.) ~~A~~ The commission or a court imposing a forfeiture on a
19 public utility or telecommunications provider or an agent, director, officer, or
20 employee of a public utility or telecommunications provider under this chapter shall
21 consider all of the following in determining the amount of the forfeiture:

22 *~~2154/1.2~~* **SECTION 3012.** 196.85 (1) of the statutes is renumbered 196.85 (1)
23 (a) and amended to read:

24 196.85 (1) (a) If the commission in a proceeding upon its own motion, on
25 complaint, or upon an application to it deems it necessary in order to carry out the

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1 duties imposed upon it by law to investigate the books, accounts, practices, and
2 activities of, or make appraisals of the property of any public utility, power district,
3 or sewerage system or to render any engineering or accounting services to any public
4 utility, power district, or sewerage system, the public utility, power district, or
5 sewerage system shall pay the expenses attributable to the investigation, including
6 the cost of litigation, appraisal, or service. The commission shall mail a bill for the
7 expenses to the public utility, power district, or sewerage system either at the
8 conclusion of the investigation, appraisal, or services, or during its progress. The bill
9 constitutes notice of the assessment and demand of payment. The public utility,
10 power district, or sewerage system shall, within 30 days after the mailing of the bill,
11 pay to the commission the amount of the special expense for which it is billed. Ninety
12 percent of the payment shall be credited to the appropriation account under s. 20.155

13 (1) (g). ~~The~~

14 (b) Except as provided in sub. (1m) (a), the total amount in any one calendar
15 year for which any public utility, power district, or sewerage system is liable under
16 this subsection, by reason of costs incurred by the commission within the calendar
17 year, including charges under s. 201.10 (3), may not exceed four-fifths of one percent
18 of its gross operating revenues derived from intrastate operations in the last
19 preceding calendar year.

20 (c) Nothing in this subsection shall prevent the commission from rendering
21 bills in one calendar year for costs incurred within a previous year.

22 (d) For the purpose of calculating the costs of investigations, appraisals, and
23 other services under this subsection, 90% of the costs determined shall be costs of the
24 commission and 10% of the costs determined shall be costs of state government
25 operations.

SENATE BILL 55**SECTION 3013**

1 *~~-2154/1.3~~* **SECTION 3013.** 196.85 (1m) (a) of the statutes is amended to read:

2 196.85 (1m) (a) For the purpose of direct assessment under sub. (1) of expenses
3 incurred by the commission in connection with its activities under s. 196.491, the
4 term “public utility” includes electric utilities, as defined in s. 196.491 (1) (d).
5 Subsection (1) (b) does not apply to assessments for the commission’s activities under
6 s. 196.491 related to the construction of wholesale merchant plants.

7 *~~-2007/2.33~~* **SECTION 3014.** 196.85 (2g) of the statutes is renumbered 101.937
8 (6) (a) and amended to read:

9 101.937 (6) (a) The ~~commission~~ department shall annually, within 90 days
10 after the commencement of each fiscal year, assess against ~~mobile~~ manufactured
11 home park operators the total amount appropriated under s. ~~20.155 (1)~~ 20.143 (3) (i).
12 The ~~commission~~ department shall assess each ~~mobile~~ manufactured home park
13 operator an amount in proportion to the total number of ~~mobile~~ manufactured homes
14 in all ~~mobile~~ manufactured home parks owned or managed by the ~~mobile~~
15 manufactured home park operator on July 1 of the current fiscal year as a fraction
16 of the total number of ~~mobile~~ manufactured homes in all ~~mobile~~ manufactured home
17 parks in this state on July 1 of the current fiscal year. If necessary, the ~~commission~~
18 department shall adjust the amount assessed to correct any incorrect assessment
19 that was made in a prior fiscal year. A ~~mobile~~ manufactured home park operator
20 shall pay the assessment within 30 days after the ~~commission~~ department mails the
21 bill to the ~~mobile~~ manufactured home park operator. The bill constitutes notice of
22 the assessment and demand for payment. Payments shall be credited to the ~~the~~
23 appropriation account under s. ~~20.155 (1)~~ 20.143 (3) (i).

24 *~~-2007/2.34~~* **SECTION 3015.** 196.85 (3) of the statutes is amended to read:

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1 196.85 (3) If any public utility, sewerage system, joint local water authority,
2 ~~mobile home park operator~~ or power district is billed under sub. (1), (2), or (2e) ~~or~~ (2g)
3 and fails to pay the bill within 30 days or fails to file objections to the bill with the
4 commission, as provided in this subsection, the commission shall transmit to the
5 state treasurer a certified copy of the bill, together with notice of failure to pay the
6 bill, and on the same day the commission shall mail by registered mail to the public
7 utility, sewerage system, joint local water authority, ~~mobile home park operator~~ or
8 power district a copy of the notice ~~which~~ that it has transmitted to the state treasurer.
9 Within 10 days after receipt of the notice and certified copy of the bill, the state
10 treasurer shall levy the amount stated on the bill to be due, with interest, by distress
11 and sale of any property, including stocks, securities, bank accounts, evidences of
12 debt, and accounts receivable belonging to the delinquent public utility, sewerage
13 system, joint local water authority, ~~mobile home park operator~~ or power district. The
14 levy by distress and sale shall be governed by s. 74.10, 1985 stats., except that it shall
15 be made by the state treasurer and that goods and chattels anywhere within the state
16 may be levied upon.

17 *~~2007/2.35~~* **SECTION 3016.** 196.85 (4) (a) of the statutes is amended to read:
18 196.85 (4) (a) Within 30 days after the date of the mailing of any bill under sub.
19 (1), (2), or (2e) ~~or~~ (2g), the public utility, sewerage system, joint local water authority,
20 ~~mobile home park operator~~ or power district that has been billed may file with the
21 commission objections setting out in detail the grounds upon which the objector
22 regards the bill to be excessive, erroneous, unlawful, or invalid. The commission,
23 after notice to the objector, shall hold a hearing upon the objections, from 5 to 10 days
24 after providing the notice. If after the hearing the commission finds any part of the
25 bill to be excessive, erroneous, unlawful, or invalid, it shall record its findings upon

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1 its minutes and transmit to the objector by registered mail an amended bill, in
2 accordance with the findings. The amended bill shall have the same force and effect
3 under this section as an original bill rendered under sub. (1), (2), or (2e) or (2g).

4 ***-2007/2.36* SECTION 3017.** 196.85 (5) of the statutes is amended to read:

5 196.85 (5) No suit or proceeding may be maintained in any court to restrain or
6 delay the collection or payment of any bill rendered under sub. (1), (2), or (2e) or (2g).
7 Every public utility, sewerage system, joint local water authority, ~~mobile home park~~
8 ~~operator~~ or power district that is billed shall pay the amount of the bill, and after
9 payment may in the manner provided under this section, at any time within 2 years
10 from the date the payment was made, sue the state to recover the amount paid plus
11 interest from the date of payment, upon the ground that the assessment was
12 excessive, erroneous, unlawful, or invalid in whole or in part. If the court finds that
13 any part of the bill for which payment was made was excessive, erroneous, unlawful,
14 or invalid, the state treasurer shall make a refund to the claimant as directed by the
15 court. The refund shall be charged to the appropriations to the commission.

16 ***-1857/5.113* SECTION 3018.** 196.858 (1) of the statutes is amended to read:

17 196.858 (1) The commission shall annually assess against local exchange and
18 interexchange telecommunications utilities the total, not to exceed \$5,000,000, of the
19 amounts appropriated under s. ~~20.505 (4) (is)~~ 20.530 (1) (ir).

20 ***-1857/5.114* SECTION 3019.** 196.858 (2) of the statutes is amended to read:

21 196.858 (2) The commission shall assess a sum equal to the annual total
22 amount under sub. (1) to local exchange and interexchange telecommunications
23 utilities in proportion to their gross operating revenues during the last calendar year.
24 If total expenditures for telephone relay service exceeded the payment made under
25 this section in the prior year, the commission shall charge the remainder to assessed

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1 telecommunications utilities in proportion to their gross operating revenues during
2 the last calendar year. A telecommunications utility shall pay the assessment within
3 30 days after the bill has been mailed to the assessed telecommunication utility. The
4 bill constitutes notice of the assessment and demand of payment. Payments shall
5 be credited to the appropriation account under s. ~~20.505 (4) (is)~~ 20.530 (1) (ir).

6 ***-1922/1.4* SECTION 3020.** 198.14 (4) of the statutes is amended to read:

7 198.14 (4) PURCHASES, SALES, CONVEYANCES. To lease, purchase, sell, convey and
8 mortgage the property of the district and to authorize and order all instruments,
9 contracts, deeds or mortgages to be executed on behalf of the district by the
10 chairperson of the board and the clerk of the district, except that the sale or lease of
11 any public utility equipment in excess of 10 per cent of the book value of the utility
12 property of the district shall be made as nearly as may be in accordance with s.
13 66.0817, 1999 stats., except that the commission shall have no power to determine
14 whether the interests of the district and the residents thereof will be best served by
15 the sale or lease nor to fix the price and terms thereof other than to furnish the clerk
16 of said district with its written recommendations thereon within 90 days.

17 ***-0601/1.38* SECTION 3021.** 220.04 (9) (a) 2. of the statutes is amended to read:

18 220.04 (9) (a) 2. “Regulated entity” means a bank, universal bank, trust
19 company bank, and any other entity which that is described in s. 220.02 (2) or
20 221.0526 as under the supervision and control of the division.

21 ***-0601/1.39* SECTION 3022.** 220.14 (5) of the statutes is created to read:

22 220.14 (5) Contain a statement of the total number of orders issued by the
23 division during the year under s. 222.0203 (2).

24 ***-0392/3.34* SECTION 3023.** 221.0320 (2) (a) (intro.) of the statutes is amended

25 to read:

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1 (b) For a universal bank organized as a mutual organization, the universal
2 bank's net worth, undivided profits, surplus, outstanding notes and debentures
3 approved by the division, other forms of capital designated as capital by the division,
4 and other forms of capital considered to be qualifying capital by a deposit insurance
5 corporation.

6 (2) "Deposit insurance corporation" means the Federal Deposit Insurance
7 Corporation or other instrumentality of, or corporation chartered by, the United
8 States that insures deposits of financial institutions and that is supported by the full
9 faith and credit of the U.S. government as stated in a congressional resolution.

10 (3) "Division" means the division of banking.

11 (4) "Financial institution" means a state savings bank organized under ch. 214,
12 state savings and loan association organized under ch. 215, or state bank chartered
13 under ch. 221.

14 (5) "Universal bank" means a financial institution that has been issued a
15 certificate of authority under s. 222.0205.

16 (6) "Well-capitalized" has the meaning given in 12 USC 1831o (b) (1) (A).

17 **222.0103 Applicability.** (1) SAVINGS BANKS. A universal bank that is a savings
18 bank organized under ch. 214 remains subject to all of the requirements, duties, and
19 liabilities, and may exercise all of the powers, of a savings bank, except that, in the
20 event of a conflict between this chapter and those requirements, duties, liabilities,
21 or powers, this chapter shall control.

22 (2) SAVINGS AND LOAN ASSOCIATIONS. A universal bank that is a savings and loan
23 association organized under ch. 215 remains subject to all of the requirements,
24 duties, and liabilities, and may exercise all of the powers, of a savings and loan

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1 association, except that, in the event of a conflict between this chapter and those
2 requirements, duties, liabilities, or powers, this chapter shall control.

3 **(3) BANKS.** A universal bank that is a bank chartered under ch. 221 remains
4 subject to all of the requirements, duties, and liabilities, and may exercise all of the
5 powers, of a bank, except that, in the event of a conflict between this chapter and
6 these requirements, duties, liabilities, or powers, this chapter shall control.

7 **222.0105 Fees.** The division may establish such fees as it determines are
8 appropriate for documents filed with the division under this chapter and for services
9 provided by the division under this chapter.

10 **222.0107 Administration.** **(1) POWERS OF DIVISION.** The division shall
11 administer this chapter for all universal banks.

12 **(2) RULE-MAKING AUTHORITY.** The division may promulgate rules to administer
13 and carry out this chapter. The division may establish additional limits or
14 requirements on universal banks, if the division determines that the limits or
15 requirements are necessary for the protection of depositors, members, investors, or
16 the public.

SUBCHAPTER II**CERTIFICATION**

17 **222.0201 Procedure.** **(1) APPLICATION.** A financial institution may apply to
18 become certified as a universal bank by filing a written application with the division.
19 The application shall include all information required by the division. The
20 application shall be on the forms and in accordance with the procedures prescribed
21 by the division.

22 **(2) REVIEW BY DIVISION.** An application submitted by a financial institution
23 under sub. (1) shall either be approved or disapproved by the division, in writing,
24
25

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1 within 60 days after the date on which application is filed with the division. The
2 division and the financial institution may mutually agree to extend the application
3 period for an additional period of 60 days. The division shall approve an application
4 if all of the applicable requirements under s. 222.0203 (1) are met.

5 **222.0203 Eligibility. (1) REQUIREMENTS.** The division may approve an
6 application from a financial institution for certification as a universal bank only if
7 all of the following requirements are met:

8 (a) The financial institution is chartered or organized, and regulated, under ch.
9 214, 215, or 221 and has been in existence and continuous operation for a minimum
10 of 3 years before the date of the application.

11 (b) The financial institution is well-capitalized.

12 (c) The financial institution does not exhibit a combination of financial,
13 managerial, operational, and compliance weaknesses that is moderately severe or
14 unsatisfactory, as determined by the division based upon the division's assessment
15 of the financial institution's capital adequacy, asset quality, management capability,
16 earnings quantity and quality, adequacy of liquidity, and sensitivity to market risk.

17 (d) During the 12-month period before the date of the application, the financial
18 institution has not been the subject of an enforcement action, and there is no
19 enforcement action pending against the financial institution by any state or federal
20 financial institution regulatory agency, including the division.

21 (e) The most current evaluation prepared under 12 USC 2906 that the financial
22 institution has received rates the financial institution as "outstanding" or
23 "satisfactory" in helping to meet the credit needs of its entire community, including
24 low-income and moderate-income neighborhoods, consistent with the safe and
25 sound operation of the financial institution.

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1 (f) If the financial institution has received from its federal functional regulator,
2 as defined in 15 USC 6809 (2), a consumer compliance examination that contains
3 information regarding the financial institution's compliance with 15 USC 6801 to
4 6803 and any applicable regulations prescribed under 15 USC 6804, the most recent
5 such examination indicates, in the opinion of the division, that the financial
6 institution is in substantial compliance with those statutes or regulations.

7 (2) FAILURE TO MAINTAIN ELIGIBILITY; LIMITATION OF AUTHORITY AND
8 DECERTIFICATION. For any period during which a universal bank fails to meet the
9 requirements under sub. (1), the division shall by order limit or restrict the exercise
10 of the powers of the universal bank under this chapter. In addition to or lieu of
11 limiting or restricting the universal bank's authority under this subsection, the
12 division may by order revoke the universal bank's certificate of authority issued
13 under s. 222.0205.

14 **222.0205 Certificate of authority.** Upon approval of an application for
15 certification as a universal bank, the division shall issue to the applicant a certificate
16 of authority stating that the financial institution is certified as a universal bank
17 under this chapter.

18 **222.0207 Voluntary termination of certification.** A financial institution
19 that is certified as a universal bank under this chapter may elect to terminate its
20 certification by giving 60 days' prior written notice of the termination to the division.
21 A termination under this section is effective only with the written approval of the
22 division. A financial institution shall, as a condition to a termination under this
23 section, terminate its exercise of all powers granted under this chapter before the
24 termination of the certification. The division's written approval of a financial

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1 institution's termination under this section is void if the financial institution fails to
2 satisfy the precondition to termination under this section.

SUBCHAPTER III**ORGANIZATION**

3
4
5 **222.0301 Articles of incorporation and bylaws.** A universal bank shall
6 continue to operate under its articles of incorporation and bylaws as in effect prior
7 to certification as a universal bank or as such articles or bylaws may be subsequently
8 amended in accordance with the provisions of the chapter under which the universal
9 bank was organized or chartered.

10 **222.0303 Name. (1) USE OF "BANK."** Notwithstanding ss. 214.035, 215.40 (1),
11 and 215.60 (1) and subject to subs. (2) and (3) (b), a universal bank may use the word
12 "bank" in its name, without having to include the word "savings." Notwithstanding
13 ss. 215.40 (1) and 215.60 (1) and subject to subs. (2) and (3) (b), a universal bank that
14 is organized under ch. 215 and that uses the word "bank" in its name in accordance
15 with this section need not include the words "savings and loan association" or
16 "savings association" in its name.

17 **(2) DISTINGUISHABILITY.** Except as provided in sub. (3), the name of the
18 universal bank shall be distinguishable upon the records of the division from all of
19 the following names:

20 (a) The name of every other financial institution organized under the laws of
21 this state.

22 (b) The name of every national bank or foreign bank authorized to transact
23 business in this state.

24 **(3) EXCEPTIONS.** (a) A universal bank may apply to the division for authority
25 to use a name that does not meet the requirements under sub. (2). The division may

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1 authorize the use of the name if any of the conditions under s. 221.0403 (2) (a) or (b)
2 is met.

3 (b) A universal bank may use a name that is used in this state by another
4 financial institution or by an institution authorized to transact business in this state,
5 if the universal bank has done any of the following:

6 1. Merged with the other institution.

7 2. Been formed by reorganization of the other institution.

8 3. Acquired all or substantially all of the assets, including the name, of the
9 other institution.

10 **222.0305 Capital and assets. (1) CAPITAL REQUIREMENTS.** Notwithstanding
11 subch. VI of ch. 214 and ss. 215.24 and 221.0205, the division shall determine the
12 minimum capital requirements of universal banks.

13 **(2) CERTAIN ASSET REQUIREMENTS.** Section 214.045 does not apply to universal
14 banks.

15 **222.0307 Acquisitions, mergers, and asset purchases. (1) IN GENERAL.**
16 A universal bank may, with the approval of the division, purchase the assets of,
17 merge with, acquire, or be acquired by any other financial institution, universal
18 bank, national bank, federally chartered savings bank, or savings and loan
19 association, or by a holding company of any of these entities. Notwithstanding subch.
20 III of ch. 214 and ss. 214.09 and 215.36, the approval of the division of savings and
21 loan is not required.

22 **(2) APPLICATIONS FOR APPROVAL.** An application for approval under sub. (1) shall
23 be submitted on a form prescribed by the division and accompanied by a fee
24 determined by the division. In processing and acting on applications under this
25 section the division shall apply the following standards:

1 (a) For universal banks organized under ch. 214, ss. 214.09, 214.62 to 214.64,
2 and 214.665, and subch. III of ch. 214.

3 (b) For universal banks organized under ch. 215, ss. 215.35, 215.36, 215.53, and
4 215.73.

5 (c) For universal banks chartered under ch. 221, subchs. VII and IX of ch. 221.

6 SUBCHAPTER IV

7 POWERS

8 **222.0401 Federal financial institution powers.** (1) IN GENERAL. (a)
9 *Powers exercised by universal bank.* A universal bank, with the approval of the
10 division, may exercise any power that may be directly exercised by a federally
11 chartered savings bank, a federally chartered savings and loan association, or a
12 federally chartered national bank.

13 (b) *Powers exercised by subsidiary of universal bank.* A universal bank,
14 through a subsidiary and with the approval of the division, may exercise any power
15 that a federally chartered savings bank, a federally chartered savings and loan
16 association, or a federally chartered national bank may exercise through a
17 subsidiary.

18 (2) APPROVAL REQUIRED FOR EXERCISE OF FEDERAL POWER. A universal bank shall
19 file with the division a written request to exercise a power under sub. (1). The
20 division shall determine whether the requested power is permitted under sub. (1).
21 Within 60 days after receiving a request under this subsection, the division shall
22 approve the request, if the power is permitted under sub. (1), or shall disapprove the
23 request if the power is not permitted under sub. (1). The division and the universal
24 bank may mutually agree to extend this 60-day period for an additional period of 60
25 days.

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1 **(3) EXERCISE OF FEDERAL POWERS THROUGH A SUBSIDIARY.** The division may
2 require that certain powers exercisable by a universal bank under sub. (1) (a) be
3 exercised through a subsidiary of the universal bank with appropriate safeguards to
4 limit the risk exposure of the universal bank.

5 **222.0403 Loan powers. (1) PERMITTED PURPOSES.** A universal bank may
6 make, sell, purchase, arrange, participate in, invest in, or otherwise deal in loans or
7 extensions of credit for any purpose.

8 **(2) IN GENERAL.** Except as provided in subs. (3) to (8), the total liabilities of any
9 person, other than a municipal corporation, to a universal bank for a loan or
10 extension of credit may not exceed 20% of the capital of the universal bank at any
11 time. In determining compliance with this section, liabilities of a partnership
12 include the liabilities of the general partners, computed individually as to each
13 general partner on the basis of his or her direct liability.

14 **(3) CERTAIN SECURED LIABILITIES.** The percentage limitation under sub. (2) is
15 50% of the universal bank's capital, if the liabilities under sub. (2) are limited to the
16 following types of liabilities:

17 (a) *Warehouse receipts.* A liability secured by warehouse receipts issued by
18 warehouse keepers who are licensed and bonded in this state under ss. 99.02 and
19 99.03 or under the federal Bonded Warehouse Act or who hold a registration
20 certificate under ch. 127, if all of the following requirements are met:

- 21 1. The receipts cover readily marketable nonperishable staples.
- 22 2. The staples are insured, if it is customary to insure the staples.
- 23 3. The market value of the staples is not, at any time, less than 140% of the face
24 amount of the obligation.

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1 (b) *Certain bonds or notes.* A liability in the form of a note or bond that meets
2 any of the following qualifications:

3 1. The note or bond is secured by not less than a like amount of bonds or notes
4 of the United States issued since April 24, 1917, or certificates of indebtedness of the
5 United States.

6 2. The note or bond is secured or covered by guarantees or by commitments or
7 agreements to take over, or to purchase, the bonds or notes, and the guarantee,
8 commitment, or agreement is made by a federal reserve bank, the federal small
9 business administration, the federal department of defense, or the federal maritime
10 commission.

11 3. The note or bond is secured by mortgages or trust deeds insured by the
12 federal housing administration.

13 (4) OBLIGATIONS OF LOCAL GOVERNMENTAL UNITS. (a) *Definition.* In this
14 subsection, “local governmental unit” has the meaning given in s. 22.01 (7).

15 (b) *General limitation.* Except as otherwise provided in this subsection, the
16 total liabilities of a local governmental unit to a universal bank for money borrowed
17 may not, at any time, exceed 25% of the capital of the universal bank.

18 (c) *Revenue obligations.* Liabilities in the form of revenue obligations of a local
19 governmental unit are subject to the limitations provided in par. (b). In addition, a
20 universal bank is permitted to invest in a general obligation of that local
21 governmental unit in an amount that will bring the combined total of the general
22 obligations and revenue obligations of a single local governmental unit to a sum not
23 in excess of 50% of the capital of the universal bank.

24 (d) *General obligations.* If the liabilities of the local governmental unit are in
25 the form of bonds, notes, or other evidences of indebtedness that are a general

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1 obligation of a local governmental unit, the total liability of the local governmental
2 unit may not exceed 50% of the capital of the universal bank.

3 (e) *Temporary borrowings.* The total amount of temporary borrowings of any
4 local governmental unit maturing within one year after the date of issue may not
5 exceed 60% of the capital of the universal bank. Temporary borrowings and
6 longer-term general obligation borrowings of a single local governmental unit may
7 be considered separately in determining compliance with this subsection.

8 (5) OBLIGATIONS OF CERTAIN INTERNATIONAL ORGANIZATIONS; OTHER FOREIGN BONDS.
9 A universal bank may purchase bonds offered for sale by the International Bank for
10 Reconstruction and Development and the Inter-American Development Bank or
11 any other foreign bonds approved under rules established by the division. The
12 aggregate investment in any of these bonds issued by a single issuer may not exceed
13 10% of the capital of the universal bank.

14 (6) FOREIGN NATIONAL GOVERNMENT BONDS. A universal bank may purchase
15 general obligation bonds issued by any foreign national government if the bonds are
16 payable in United States funds. The aggregate investment in these foreign bonds
17 may not exceed 3% of the capital of the universal bank, except that this limitation
18 does not apply to bonds of the Canadian government and Canadian provinces that
19 are payable in United States funds.

20 (7) LIMITS ESTABLISHED BY BOARD. (a) *When financial statements required.* A
21 universal bank may not make or renew a loan or loans, the aggregate total of which
22 exceeds the level established by the board of directors without being supported by a
23 signed financial statement of the borrower, unless the loan is secured by collateral
24 having a value in excess of the amount of the loan. A signed financial statement
25 furnished by the borrower to a universal bank in compliance with this paragraph

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1 must be renewed annually as long as the loan or any renewal of the loan remains
2 unpaid and is subject to this paragraph.

3 (b) *Treatment of loans complying with limits.* A loan or a renewal of a loan made
4 by a universal bank in compliance with par. (a), without a signed financial statement,
5 may be treated by the universal bank as entirely independent of any secured loan
6 made to the same borrower if the loan does not exceed the applicable limitations
7 provided in this section.

8 (8) EXCEPTIONS. This section does not apply to any of the following:

9 (a) *Liabilities secured by certain short-term federal obligations.* A liability that
10 is secured by not less than a like amount of direct obligations of the United States
11 which will mature not more than 18 months after the date on which such liabilities
12 to the universal bank are entered into.

13 (b) *Certain federal and state obligations or guaranteed obligations.* A liability
14 that is a direct obligation of the United States or this state, or an obligation of any
15 governmental agency of the United States or this state, that is fully and
16 unconditionally guaranteed by the United States or this state.

17 (c) *Commodity Credit Corporation liabilities.* A liability in the form of a note,
18 debenture, or certificate of interest of the Commodity Credit Corporation.

19 (d) *Discounting bills of exchange or business or commercial paper.* A liability
20 created by the discounting of bills of exchange drawn in good faith against actually
21 existing values or the discounting of commercial or business paper actually owned
22 by the person negotiating the same.

23 (e) *Certain other federal or federally guaranteed obligations.* Obligations of, or
24 obligations that are fully guaranteed by, the United States and obligations of any
25 federal reserve bank, federal home loan bank, the Student Loan Marketing

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1 Association, the Government National Mortgage Association, the Federal National
2 Mortgage Association, the Federal Home Loan Mortgage Corporation, the
3 Export-Import Bank of Washington, or the Federal Deposit Insurance Corporation.

4 (9) ADDITIONAL AUTHORITY. (a) *In general.* In addition to the authority
5 granted under subs. (1) to (8), and except as provided in par. (b), a universal bank may
6 lend under this subsection, through the universal bank or subsidiary of the universal
7 bank, to all borrowers from the universal bank and all of its subsidiaries, an
8 aggregate amount not to exceed 20% of the universal bank's capital. Neither a
9 universal bank nor any subsidiary of the universal bank may lend to any borrower,
10 under this subsection and any other law or rule, an amount that would result in an
11 aggregate amount for all loans to that borrower that exceeds 20% of the universal
12 bank's capital. A universal bank or its subsidiary may take an equity position or
13 other form of interest as security in a project funded through loans made under this
14 paragraph. Every transaction by a universal bank or its subsidiary under this
15 paragraph requires prior approval by the governing board of the universal bank or
16 its subsidiary, respectively. Loans made under this paragraph are not subject to s.
17 221.0326 or to classification as losses, for a period of 2 years from the date of each loan
18 except as provided in par. (b).

19 (b) *Suspension of additional authority.* The division may suspend authority
20 established under par. (a) and, in such case, may specify how an outstanding loan
21 shall be treated by the universal bank or its subsidiary. Among the factors that the
22 division may consider in suspending authority under par. (a) are the universal bank's
23 capital adequacy, asset quality, earnings quantity, earnings quality, adequacy of
24 liquidity, and sensitivity to market risk and the ability of the universal bank's
25 management.

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1 **(10) EXERCISE OF LOAN POWERS; PROHIBITED CONSIDERATIONS.** In determining
2 whether to make a loan or extension of credit, no universal bank may consider any
3 health information obtained from the records of an affiliate of the universal bank
4 that is engaged in the business of insurance, unless the person to whom the health
5 information relates consents.

6 **222.0405 Investment powers. (1) INVESTMENT SECURITIES.** Except as
7 provided in subs. (3) to (8), a universal bank may purchase, sell, underwrite, and hold
8 investment securities, consistent with safe and sound banking practices, up to 100%
9 of the universal bank's capital. A universal bank may not invest greater than 20%
10 of the universal bank's capital in the investment securities of one obligor or issuer.
11 In this subsection, "investment securities" includes commercial paper, banker's
12 acceptances, marketable securities in the form of bonds, notes, debentures, and
13 similar instruments that are regarded as investment securities.

14 **(2) EQUITY SECURITIES.** Except as provided in subs. (3) to (8), a universal bank
15 may purchase, sell, underwrite, and hold equity securities, consistent with safe and
16 sound banking practices, up to 20% of capital or, if approved by the division in
17 writing, a greater percentage of capital.

18 **(3) HOUSING ACTIVITIES.** With the prior written consent of the division, a
19 universal bank may invest in the initial purchase and development, or the purchase
20 or commitment to purchase after completion, of home sites and housing for sale or
21 rental, including projects for the reconstruction, rehabilitation, or rebuilding of
22 residential properties to meet the minimum standards of health and occupancy
23 prescribed for a local governmental unit, the provision of accommodations for retail
24 stores, shops, and other community services that are reasonably incident to that
25 housing, or in the stock of a corporation that owns one or more of those projects and

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1 that is wholly owned by one or more financial institutions. The total investment in
2 any one project may not exceed 15% of the universal bank's capital, nor may the
3 aggregate investment under this subsection exceed 50% of capital. A universal bank
4 may not make an investment under this subsection unless it is in compliance with
5 the capital requirements set by the division under s. 222.0305 (1) and with the capital
6 maintenance requirements of its deposit insurance corporation.

7 (4) PROFIT-PARTICIPATION PROJECTS. A universal bank may take equity positions
8 in profit-participation projects, including projects funded through loans from the
9 universal bank, in an aggregate amount not to exceed 20% of capital. The division
10 may suspend the investment authority under this subsection. If the division
11 suspends the investment authority under this subsection, the division may specify
12 how outstanding investments under this subsection shall be treated by the universal
13 bank or its subsidiary. Among the factors that the division may consider in
14 suspending authority under this subsection are the universal bank's capital
15 adequacy, asset quality, earnings quantity, earnings quality, adequacy of liquidity,
16 and sensitivity to market risk and the ability of the universal bank's management.
17 This subsection does not authorize a universal bank, directly or indirectly through
18 a subsidiary, to engage in the business of underwriting insurance.

19 (5) DEBT INVESTMENTS. A universal bank may invest in bonds, notes,
20 obligations, and liabilities described under s. 222.0403 (3) to (7), subject to the
21 limitations under those subsections.

22 (6) CERTAIN LIABILITIES. This section does not limit investment in the
23 liabilities described in s. 222.0403 (8).

24 (7) CERTAIN INVESTMENTS. A universal bank may invest without limitation in
25 any of the following:

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1 (a) *Business development corporations.* Stocks or obligations of a corporation
2 organized for business development by this state or by the United States or by an
3 agency of this state or the United States.

4 (b) *Urban renewal investment corporations.* Obligations of an urban renewal
5 investment corporation organized under the laws of this state or of the United States.

6 (c) *Certain bank insurance companies.* An equity interest in an insurance
7 company or an insurance holding company organized to provide insurance for
8 universal banks and for persons affiliated with universal banks, solely to the extent
9 that this ownership is a prerequisite to obtaining directors' and officers' insurance
10 or blanket bond insurance for the universal bank through the company.

11 (d) *Certain remote service unit corporations.* Shares of stock, whether
12 purchased or otherwise acquired, in a corporation acquiring, placing, and operating
13 remote service units under s. 214.04 (21) or 215.13 (46) or bank communications
14 terminals under s. 221.0303 (2).

15 (e) *Service corporations.* Equity or debt securities or instruments of a service
16 corporation subsidiary of the universal bank.

17 (f) *Federal funds.* Advances of federal funds.

18 (g) *Certain risk management financial products.* With the prior written
19 approval of the division, financial futures transactions, financial options
20 transactions, forward commitments, or other financial products for the purpose of
21 reducing, hedging, or otherwise managing its interest rate risk exposure.

22 (h) *Certain fiduciaries.* A subsidiary organized to exercise corporate fiduciary
23 powers under ch. 112.

24 (i) *Agricultural credit corporations.* An agricultural credit corporation. Unless
25 a universal bank owns at least 80% of the stock of the agricultural credit corporation,

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1 a universal bank may not invest more than 20% of the universal bank's capital in the
2 agricultural credit corporation.

3 (j) *Deposit accounts and insured obligations.* Deposit accounts or insured
4 obligations of any financial institution, the accounts of which are insured by a deposit
5 insurance corporation.

6 (k) *Certain federal obligations.* Obligations of, or obligations that are fully
7 guaranteed by, the United States and stocks or obligations of any federal reserve
8 bank, federal home loan bank, the Student Loan Marketing Association, the
9 Government National Mortgage Association, the Federal National Mortgage
10 Association, the Federal Home Loan Mortgage Corporation, or the Federal Deposit
11 Insurance Corporation.

12 (L) *Other investments.* Any other investment authorized by the division.

13 (8) INVESTMENTS IN OTHER FINANCIAL INSTITUTIONS. In addition to the authority
14 granted under ss. 222.0307 and 222.0409, and subject to the limitations of sub. (2),
15 a universal bank may invest in other financial institutions.

16 (9) INVESTMENTS THROUGH SUBSIDIARIES. A universal bank may make
17 investments under this section, directly or indirectly through a subsidiary, unless
18 the division determines that an investment shall be made through a subsidiary with
19 appropriate safeguards to limit the risk exposure of the universal bank.

20 **222.0407 Universal bank purchase of its own stock.** (1) IN GENERAL. A
21 universal bank may hold or purchase not more than 10% of its capital stock, notes,
22 or debentures, except as provided in sub. (2) or (3).

23 (2) DIVISION APPROVAL. A universal bank may hold or purchase more than 10%
24 of its capital stock, notes, or debentures, if approved by the division.

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1 **(3) ADDITIONAL AUTHORITY.** A universal bank may hold or purchase more than
2 10% of its capital stock, notes, or debentures if the purchase is necessary to prevent
3 loss upon a debt previously contracted in good faith. Stock, notes, or debentures held
4 or purchased under this subsection may not be held by the universal bank for more
5 than 6 months if the stock, notes, or debentures can be sold for the amount of the
6 claim of the universal bank against the holder of the debt previously contracted. The
7 universal bank shall either sell the stock, notes, or debentures within 12 months of
8 acquisition under this subsection or shall cancel the stock, notes, or debentures.
9 Cancellation of the stock, notes, or debentures reduces the amount of the universal
10 bank's capital stock, notes, or debentures. If the reduction reduces the universal
11 bank's capital below the minimum level required by the division, the universal bank
12 shall increase its capital to the amount required by the division.

13 **(4) LOANS SECURED BY CAPITAL, SURPLUS, OR DEPOSITS.** A universal bank may not
14 loan any part of its capital, surplus, or deposits on its own capital stock, notes, or
15 debentures as collateral security, except that a universal bank may make a loan
16 secured by its own capital stock, notes, or debentures to the same extent that the
17 universal bank may make a loan secured by the capital stock, notes, and debentures
18 of a holding company for the universal bank.

19 **222.0409 Stock in bank-owned banks.** With the approval of the division,
20 a universal bank may acquire and hold stock in one or more banks chartered under
21 s. 221.1202 or national banks chartered under 12 USC 27 (b) or in one or more
22 holding companies wholly owning such a bank. Aggregate investments under this
23 section may not exceed 10% of the universal bank's capital.

24 **222.0411 General deposit powers. (1) IN GENERAL.** A universal bank may
25 set eligibility requirements for, and establish the types and terms of, deposits that

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1 the universal bank solicits and accepts. The terms set under this subsection may
2 include minimum and maximum amounts that the universal bank may accept and
3 the frequency and computation method of paying interest.

4 (2) PLEDGE OF SECURITY FOR DEPOSITS. Subject to the limitations of s. 221.0324
5 that are applicable to banks, a universal bank may pledge its assets as security for
6 deposits.

7 (3) SECURITIZATION OF ASSETS. With the approval of the division, a universal
8 bank may securitize its assets for sale to the public. The division may establish
9 procedures governing the exercise of authority granted under this subsection.

10 (4) SAFE DEPOSIT POWERS. A universal bank may take and receive, from any
11 individual or corporation for safekeeping and storage, gold and silver plate, jewelry,
12 money, stocks, securities, and other valuables or personal property, and may rent out
13 the use of safes or other receptacles upon its premises for such compensation as may
14 be agreed upon. A universal bank has a lien for its charges on any property taken
15 or received by it for safekeeping. If the lien is not paid within 2 years from the date
16 the lien accrues, or if property is not called for by the person depositing the property,
17 or by his or her representative or assignee, within 2 years from the date the lien
18 accrues, the universal bank may sell the property at public auction. A universal bank
19 shall provide the same notice for a sale under this subsection that is required by law
20 for sales of personal property on execution. After retaining from the proceeds of the
21 sale all of the liens and charges due the bank and the reasonable expenses of the sale,
22 the universal bank shall pay the balance to the person depositing the property, or to
23 his or her representative or assignee.

24 **222.0413 Necessary or convenient powers, reasonably related or**
25 **incidental activities, and other approved activities. (1) NECESSARY OR**

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1 CONVENIENT POWERS. Unless otherwise prohibited or limited by this chapter, a
2 universal bank may exercise all powers necessary or convenient to effect the
3 purposes for which the universal bank is organized or to further the businesses in
4 which the universal bank is lawfully engaged.

5 (2) REASONABLY RELATED AND INCIDENTAL ACTIVITIES. (a) Subject to any
6 applicable state or federal regulatory or licensing requirements, a universal bank
7 may engage, directly or indirectly through a subsidiary, in activities reasonably
8 related or incident to the purposes of the universal bank. Activities reasonably
9 related or incident to the purposes of the universal bank are those activities that are
10 part of the business of financial institutions, or closely related to the business of
11 financial institutions, or convenient and useful to the business of financial
12 institutions, or reasonably related or incident to the operation of financial
13 institutions, or financial in nature. Activities that are reasonably related or incident
14 to the purposes of a universal bank include the following:

- 15 1. Business and professional services.
- 16 2. Data processing.
- 17 3. Courier and messenger services.
- 18 4. Credit-related activities.
- 19 5. Consumer services.
- 20 6. Real estate-related services, including real estate brokerage services.
- 21 7. Insurance and related services, other than insurance underwriting.
- 22 8. Securities brokerage.
- 23 9. Investment advice.
- 24 10. Securities and bond underwriting.
- 25 11. Mutual fund activities.

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1 12. Financial consulting.

2 13. Tax planning and preparation.

3 14. Community development and charitable activities.

4 15. Debt cancellation contracts.

5 16. Any activities that are reasonably related or incident to activities under
6 subds. 1. to 15., as determined by rule of the division under par. (b).

7 (b) An activity that is authorized by statute or regulation for financial
8 institutions to engage in as of the effective date of this paragraph ... [revisor inserts
9 date], is an activity that is reasonably related to or incident to the purposes of a
10 universal bank. An activity permitted under the Bank Holding Company Act is an
11 activity that is reasonably related to or incident to the purposes of a universal bank.
12 The division may, by rule, expand the list of activities under par. (a) 1. to 15. that are
13 reasonably related or incident to the purposes of a universal bank and, by rule, may
14 establish which activities under par. (a) 16. are reasonably related or incident to the
15 activities under par. (a) 1. to 15. Any activity approved by rule of the division under
16 this paragraph shall be authorized for all universal banks.

17 (3) NOTICE REQUIREMENT. A universal bank shall give 60 days' prior written
18 notice to the division of the universal bank's intention to engage in an activity under
19 this section.

20 (4) STANDARDS FOR DENIAL. The division may deny the authority of a universal
21 bank to engage in an activity under this section, other than those activities described
22 in sub. (2) (a) 1. to 15., if the division determines that the activity is not an activity
23 reasonably related or incident to the purposes of a universal bank. The division may
24 deny the authority of a universal bank to engage in an activity under this section if
25 the division determines that the universal bank is not well-capitalized, that the

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1 universal bank is the subject of an enforcement action, or that the universal bank
2 does not have satisfactory management expertise for the proposed activity.

3 (5) INSURANCE INTERMEDIATION. A universal bank, or an officer or salaried
4 employee of a universal bank, may obtain a license as an insurance intermediary, if
5 otherwise qualified. A universal bank may not, directly or indirectly through a
6 subsidiary, engage in the business of underwriting insurance.

7 (6) OTHER ACTIVITIES APPROVED BY THE DIVISION. A universal bank may engage
8 in any other activity that is approved by rule of the division.

9 (7) ACTIVITIES PROVIDED THROUGH A SUBSIDIARY. A universal bank may engage
10 in an activity under this section, directly or indirectly through a subsidiary, unless
11 the division determines that the activity must be conducted through a subsidiary
12 with appropriate safeguards to limit the risk exposure of the universal bank.

13 (8) LIMITATIONS ON INVESTMENTS THROUGH SUBSIDIARIES. The amount of the
14 investment in any one subsidiary that engages in an activity under this section may
15 not exceed 20% of capital or, if approved by the division, a higher percentage
16 authorized by the division. The aggregate investment in all subsidiaries that engage
17 in an activity under this subsection may not exceed 50% of capital or, if approved by
18 the division, a higher percentage authorized by the division.

19 (9) OWNERSHIP OF SUBSIDIARIES. A subsidiary that engages in an activity under
20 this section may be owned jointly, with one or more other financial institutions,
21 individuals, or entities.

22 **222.0415 Trust powers.** Subject to rules of the division, a universal bank may
23 exercise trust powers in accordance with s. 221.0316.

24 ***-0601/1.41* SECTION 3026.** 222.0403 (3) (a) (intro.) of the statutes, as created
25 by 2001 Wisconsin Act ... (this act), is amended to read:

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1 222.0403 (3) (a) (intro.) A liability secured by warehouse receipts issued by
2 warehouse keepers who are licensed and bonded in this state under ss. 99.02 and
3 99.03 or under the federal Bonded Warehouse Act or who held ~~a registration~~
4 ~~certificate under ch. 127~~ are licensed under s. 126.26 (1), if all of the following
5 requirements are met:

6 *~~0597/1.1~~* **SECTION 3027.** 224.02 of the statutes is amended to read:

7 **224.02 Banking, defined.** The soliciting, receiving, or accepting of money or
8 its equivalent on deposit as a regular business by any person, partnership,
9 association, or corporation, shall be deemed to be doing a banking business, whether
10 such deposit is made subject to check or is evidenced by a certificate of deposit, a
11 passbook, a note, a receipt, or other writing, provided that nothing herein shall apply
12 to or include money left with an agent, pending investment in real estate or securities
13 for or on account of the agent's principal. ~~Provided, however, that if money so left with~~
14 ~~an agent for investment shall not be kept in a separate trust fund or if the agent~~
15 ~~receiving such money shall mingle same with the agent's own property, whether with~~
16 ~~or without the consent of the principal, or shall make an agreement to pay any certain~~
17 ~~rate of interest thereon or any agreement to pay interest thereon other than an~~
18 ~~agreement to account for the actual income which may be derived from such money~~
19 ~~while held pending investment, the person receiving such money shall be deemed to~~
20 ~~be in the banking business.~~

21 *~~1536/3.17~~* **SECTION 3028.** 224.30 (2) of the statutes is repealed.

22 *~~0726/5.10~~* **SECTION 3029.** 224.71 (3) (b) 7. of the statutes is created to read:

23 224.71 (3) (b) 7. The department of veterans affairs when administering the
24 veteran's housing loan program under subch. II of ch. 45.

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1 ***-1634/P6.43*** **SECTION 3030.** 227.01 (1) of the statutes, as affected by 1999
2 Wisconsin Act 9, section 2353n, is repealed and recreated to read:

3 227.01 (1) “Agency” means a board, commission, committee, department or
4 officer in the state government, except the governor, a district attorney or a military
5 or judicial officer.

6 ***-0335/2.1*** **SECTION 3031.** 227.01 (13) (zc) of the statutes is amended to read:
7 227.01 (13) (zc) Establishes ~~an inventory or a hazard ranking~~ a list or database
8 under s. 292.31.

9 ***-2155/1.1*** **SECTION 3032.** 227.117 of the statutes is created to read:

10 **227.117 Review of rules impacting energy policies.** (1) The public service
11 commission may conduct an energy assessment of any proposed rule submitted to the
12 legislative council staff for review under s. 227.15 (1). The energy assessment shall
13 evaluate the potential impact of the proposed rule on the energy policies of the state
14 related to electricity generation, transmission, or distribution or to fuels used in
15 generating electricity. If, after making such an assessment, the public service
16 commission concludes that the proposed rule may have a significant impact on those
17 policies, the public service commission may prepare an energy impact statement. An
18 energy impact statement prepared under this subsection shall evaluate the probable
19 impacts of the proposed rule on the state’s energy policies and describe appropriate
20 alternatives to the proposed rule that will reduce any negative impacts on those
21 policies.

22 (2) The public service commission shall submit a copy of any energy impact
23 statement prepared under sub. (1) to the legislative council staff and to the agency
24 that proposed the rule that resulted in the statement.

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1 **(3)** An agency that receives an energy impact statement under sub. (2), shall
2 consider the energy impact statement before submitting the notification and report
3 to the legislature under s. 227.19 (2) and (3).

4 *–2155/1.2* **SECTION 3033.** 227.19 (3) (intro.) of the statutes is amended to
5 read:

6 227.19 **(3) FORM OF REPORT.** (intro.) The report required under sub. (2) shall be
7 in writing and shall include the proposed rule in the form specified in s. 227.14 (1),
8 the material specified in s. 227.14 (2) to (4), a copy of any energy impact statement
9 received from the public service commission under s. 227.117 (2), a copy of any
10 recommendations of the legislative council staff and an analysis. The analysis shall
11 include:

12 *–2155/1.3* **SECTION 3034.** 227.19 (3) (f) of the statutes is created to read:

13 227.19 **(3) (f)** If an energy impact statement regarding the proposed rule was
14 submitted with the report, an explanation of what changes, if any, that were made
15 in the proposed rule in response to that statement.

16 *–0601/1.41* **SECTION 3035.** 227.245 of the statutes is created to read:

17 **227.245 Permanent rules; exemptions. (1) PROMULGATION OF UNIVERSAL**
18 **BANKING RULES.** Except as provided in subs. (2) and (3), the division of banking may
19 promulgate a rule under s. 222.0413 (2) (b) without complying with the notice,
20 hearing, and publication procedures under this chapter.

21 **(2) FILING AND PUBLICATION.** The division of banking shall file a rule described
22 under sub. (1) as provided in s. 227.20. At the time that the rule is filed, the division
23 of banking shall mail a copy of the rule to the chief clerk of each house and to each
24 member of the legislature, shall publish in the official state newspaper a class 1