

Committee Name:

**Senate Committee – Privacy, Electronic Commerce and Financial Institutions
(SC-PECFI)**

Appointments

01hr_SC-PECFI_Appoint_pt00

Clearinghouse Rules

01hr_SC-PECFI_CRule_01-041

Committee Hearings

01hr_SC-PECFI_CH_pt00

Committee Reports

01hr_SC-PECFI_CR_pt00

Executive Sessions

01hr_SC-PECFI_ES_pt00

Hearing Records

01hr_ab0000

01hr_sb0000

Misc.

01hr_SC-PECFI_Misc_pt01

Record of Committee Proceedings

01hr_SC-PECFI_RCP_pt00

JON ERPENBACH

STATE SENATOR

TO: Senate Privacy, Electronic Commerce and Financial Institutions Committee
FR: Senator Jon Erpenbach, Chair
DT: May 31, 2001
RE: Clearinghouse Rules 01-041 and 01-056

Attached are Clearinghouse rules 01-041 and 01-056 both relating to investments in development companies. If you would like a hearing or meeting with the Department of Financial Institutions on either rule, please contact my office by June 22nd. Thank you.



State of Wisconsin
Department of Financial Institutions

Scott McCallum, **Governor**

John F. Kundert, **Secretary**

DATE: May 22, 2001

TO: Senator Fred Risser, President
Wisconsin State Senate

Representative Scott Jensen, Speaker
Wisconsin State Assembly

FROM: Mark Schlei, Deputy General Counsel
Department of Financial Institutions

SUBJECT: Notice regarding CR 01-041

Pursuant to s. 227.19(2), Stats., notice is hereby given that CR 01-041 (proposed rule DFI—SL 16.05) is in final draft form. Pursuant to s. 227.19(3), Stats., the following documentation accompanies this notice in triplicate: proposed rule, the material specified in s. 227.14(2) to (4), Stats., (analysis and fiscal estimate), a copy of any recommendations of legislative council staff and an analysis pursuant to s. 227.19(3), Stats. If you have any questions regarding this matter or the enclosed, please do not hesitate to contact me at tel. 267-1705.

Office of the Secretary

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PROPOSED RULE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SAVINGS INSTITUTIONS

Analysis: To create s. DFI—SL 16.05. Statutory authority: s. 215.135, Stats. Summary: Currently state-chartered banks are authorized to invest, in an amount not to exceed in the aggregate 5% of its capital, in shares of small business investment companies located in this state. However, similar authorization does not exist for state-chartered savings and loan associations. This rule authorizes state-chartered savings and loan associations to similarly invest. This rule helps state-chartered savings and loan associations to remain competitive with other financial institutions. Agency person to be contacted for substantive questions and responsible for the agency's internal processing: Mark Schlei, Deputy General Counsel, Department of Financial Institutions, Office of the Secretary, tel. (608) 267-1705.

SECTION 1: SECTION DFI—SL 16.05 is created to read:

DFI—SL 16.05 INVESTMENTS IN DEVELOPMENT COMPANIES. A savings and loan association is authorized to invest, in an amount not to exceed in the aggregate 5% of its capital, in shares of small business investment companies located in this state.

Fiscal Estimate — 2001 Session

- Original Updated
 Corrected Supplemental

LRB Number	Amendment Number if Applicable
Bill Number	Administrative Rule Number

Subject
 Investments in development companies.

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Increase Costs — May be possible to absorb within agency's budget.

- Yes No

Decrease Costs

Local: No Local Government Costs

1. Increase Costs
 Permissive Mandatory
2. Decrease Costs
 Permissive Mandatory
3. Increase Revenues
 Permissive Mandatory
4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:

- Towns Villages Cities
 Counties Others
 School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Chapter 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

Currently state-chartered banks are authorized to invest, in an amount not to exceed in the aggregate 5% of its capital, in shares of small business investment companies located in this state. However, similar authorization does not exist for state-chartered savings and loan associations. This rule authorizes state-chartered savings and loan associations to similarly invest and helps state-chartered savings and loan associations to remain competitive with other financial institutions. Pursuant to s. DFI—SL 16.05, a savings and loan association would be authorized to invest, in an amount not to exceed in the aggregate 5% of its capital, in shares of small business investment companies located in this state. Such investments will be reviewed as part of the existing examination process by the department and therefore have no fiscal impact.

Long-Range Fiscal Implications

None

Prepared By: Mark Schlei	Telephone No. 267-1705	Agency DFI
Authorized Signature <i>Mark Schlei</i>	Telephone No. 267-1705	Date (mm/dd/ccyy) 04/11/01



WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

Ronald Sklansky
Clearinghouse Director

Richard Sweet
Clearinghouse Assistant Director

Terry C. Anderson
Legislative Council Director

Laura D. Rose
Legislative Council Deputy Director

CLEARINGHOUSE REPORT TO AGENCY

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

CLEARINGHOUSE RULE 01-041

AN ORDER to create DFI-SL 16.05, relating to investments in development companies.

Submitted by **DEPARTMENT OF FINANCIAL INSTITUTIONS**

04-17-01 RECEIVED BY LEGISLATIVE COUNCIL.

05-11-01 REPORT SENT TO AGENCY.

RS:NZ;jal;ksm

LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT

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

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

Comment Attached YES NO

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

Comment Attached YES NO

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

Comment Attached YES NO

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

Comment Attached YES NO

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

Comment Attached YES NO

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

Comment Attached YES NO

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

Comment Attached YES NO



WISCONSIN LEGISLATIVE COUNCIL
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CLEARINGHOUSE RULE 01-041

Comments

[NOTE: All citations to “Manual” in the comments below are to the Administrative Rules Procedures Manual, prepared by the Revisor of Statutes Bureau and the Legislative Council Staff, dated September 1998.]

5. Clarity, Grammar, Punctuation and Use of Plain Language

In the analysis section, “DFI-SB 16.05” should be changed to “DFI-SL 16.05.”



State of Wisconsin
Department of Financial Institutions

Scott McCallum, **Governor**

John F. Kundert, **Secretary**

DATE: May 22, 2001

TO: Senator Fred Risser, President
Wisconsin State Senate

Representative Scott Jensen, Speaker
Wisconsin State Assembly

FROM: Mark Schlei, Deputy General Counsel
Department of Financial Institutions

SUBJECT: Report on CR 01-041

This report is submitted pursuant to s. 227.19 (2) and (3), Stats., regarding CR 01-041 (proposed rule s. DFI—SL 16.05).

1. STATEMENT EXPLAINING THE NEED FOR THE PROPOSED RULE

Currently state-chartered banks are authorized to invest, in an amount not to exceed in the aggregate 5% of its capital, in shares of small business investment companies located in this state. However, similar authorization does not exist for state-chartered savings banks. Section DFI—SL 16.05 authorizes state-chartered savings banks to similarly invest. This rule helps state-chartered savings banks to remain competitive with other financial institutions.

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

No modifications were made as a result of testimony received at the public hearing.

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

Richard R. McGuigan of the Community Bankers of Wisconsin spoke in favor of the proposed rules.

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4. RESPONSE TO LEGISLATIVE COUNCIL RECOMMENDATIONS

Legislative council staff recommendations were accepted in whole.

5. FINAL REGULATORY FLEXIBILITY ANALYSIS

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



WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

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RS:NZ:jal;ksm

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Comment Attached YES NO

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[s. 227.15 (2) (e)]

Comment Attached YES NO

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

Comment Attached YES NO

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

Comment Attached YES NO

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

Comment Attached YES NO



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