

**SENATE BILL 390 (LRB -3405)**

An Act to repeal 218.04 (7) (c); and to amend 137.01 (1) (a) and 218.05 (6) of the statutes; relating to: appointment of notaries public, collection agencies, and community currency exchanges. (FE)

**2012**

01-19.	S.	Introduced by Senator <b>Grothman</b> ; cosponsored by Representative <b>Kramer</b> .	
01-19.	S.	Read first time and referred to committee on Financial Institutions and Rural Issues .....	660
01-25.	S.	Public hearing held.	
02-01.	S.	Executive action taken.	
02-01.	S.	Report introduction and adoption of Senate Amendment 1 recommended by committee on Financial Institutions and Rural Issues, Ayes 5, Noes 0 ( <b>LRB a2222</b> ) .....	682
02-01.	S.	Report passage as amended recommended by committee on Financial Institutions and Rural Issues, Ayes 5, Noes 0 .....	682
02-01.	S.	Available for scheduling.	
02-02.	S.	Fiscal estimate received.	
02-06.	S.	Fiscal estimate received.	
02-20.	S.	Placed on calendar 2-21-2012 pursuant to Senate Rule 18(1) .....	720
02-21.	S.	Read a second time .....	728
02-21.	S.	<b>Senate amendment 1 adopted</b> .....	728
02-21.	S.	Ordered to a third reading .....	728
02-21.	S.	Rules suspended .....	728
02-21.	S.	Read a third time and <b>passed</b> .....	728
02-21.	S.	Ordered immediately messaged .....	729
02-22.	A.	Received from Senate .....	850
02-29.	A.	Read first time and referred to committee on Rules .....	864
03-02.	A.	Placed on calendar 3-6-2012 by committee on Rules.	
03-06.	A.	Made a special order of business at 11:58 A.M. on 3-13-2012 pursuant to Assembly Resolution 22 .....	896
03-13.	A.	Read a second time.	
03-13.	A.	Ordered to a third reading.	
03-13.	A.	Rules suspended.	
03-13.	A.	Read a third time and <b>concurred in</b> .	
03-13.	A.	Ordered immediately messaged.	
03-13.	S.	Received from Assembly concurred in.	

*MB*

**2011**  
**ENROLLED BILL**

11en SB-390

**ADOPTED DOCUMENTS:**

Orig     Engr           SubAmdt       

11-3405/1

Amendments to above (if none, write "NONE"): SA1 — a2222/1

Corrections - show date (if none, write "NONE"): None

Topic Rel as amd

3-14-12  
Date

*[Signature]*  
Enrolling Drafter



## 2011 SENATE BILL 390

January 19, 2012 - Introduced by Senator GROTHMAN, cosponsored by Representative KRAMER. Referred to Committee on Financial Institutions and Rural Issues.

1 AN ACT *to repeal* 218.04 (7) (c); and *to amend* 137.01 (1) (a) and 218.05 (6) of  
2 the statutes; **relating to:** appointment of notaries public, collection agencies,  
3 and community currency exchanges. INS. SAI-2

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### *Analysis by the Legislative Reference Bureau*

Under current law, a person may file an application with the Department of Financial Institutions (DFI) to be a notary public. If the applicant is an attorney licensed in this state, the secretary of financial institutions (secretary) must issue to the applicant a certificate of appointment as a notary public and the applicant's commission is permanent. If the applicant is not an attorney, the secretary must satisfy himself or herself that the applicant meets certain qualifications. If the applicant does, the governor appoints the applicant as a notary public and a certificate of appointment as a notary public, for a term of four years, is issued to the applicant.

Under this bill, the secretary, rather than the governor, appoints notaries public who are not attorneys.

Under current law, a person may not operate as a collection agency unless the person is licensed as a collection agency by the Division of Banking (division) in DFI. A "collection agency" is defined as a person engaging in the business of collecting or receiving for payment for others of any account, bill, or other indebtedness, but the definition also contains specific exceptions, including those for attorneys, banks and certain other financial institutions, health care billing companies, insurers, and real estate brokers and salespersons. A collection agency is subject to regulation by the

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division and to certain laws regulating its operations. The division has certain powers and duties with respect to the collection of accounts, including: 1) to issue general and special orders to protect the public from certain practices of licensed collection agencies; 2) to investigate potential violations by licensed collection agencies, including examination of the books and records of collection agencies and the taking of testimony; and 3) to appoint advisers from the collection agency industry to consult and assist the division in the execution of the division's duties, which advisers receive no compensation but may be reimbursed for their traveling expenses.

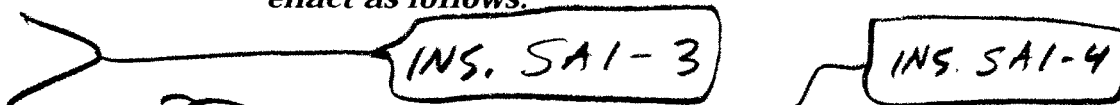
This bill repeals the power and duty described as item 3), above.

Under current law, a person may not engage in the business of a community currency exchange unless the person has been issued a license by the division. A "community currency exchange" is defined as any person, except certain financial institutions, engaged in the business of cashing checks, money orders, and other evidences of money for a fee, service charge, or other consideration. A community currency exchange may not accept money for deposit. After an application for a community currency exchange license has been approved, the applicant must submit to the division for approval, in a principal sum determined by the division, a policy or policies of insurance that insures the licensee against loss by burglary, larceny, robbery, forgery, or embezzlement. With respect to forgery, the policy may carry a condition that the community currency exchange assumes the first \$50 of each claim under the policy.

Under this bill, the policy or policies of insurance must be filed with, and approved by, the division before the division may issue the community currency exchange license or, thereafter, renew the community currency exchange license. Also under the bill, rather than specify that the policy may carry a condition that the community currency exchange assumes the first \$50 of each forgery claim, the division has the authority to determine not only the principal sum under such a policy, but deductibles as well.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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



1 SECTION 137.01 (1) (a) of the statutes, as affected by 2011 Wisconsin Act 32,  
2 is amended to read:

3 137.01 (1) (a) The ~~governor~~ secretary of financial institutions shall appoint  
4 notaries public who shall be United States residents and at least 18 years of age.

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1 Applicants who are not attorneys shall file an application with the department of  
2 financial institutions and pay a \$20 fee.

3 SECTION 2. 218.04 (7) (c) of the statutes is repealed.

4 SECTION 3. 218.05 (6) of the statutes is amended to read:

5 218.05 (6) INSURANCE. ~~Every applicant for a license under this section shall,~~  
6 ~~after the application for a license has been approved, submit~~ Before any license is  
7 issued to a community currency exchange or renewed for a community currency  
8 exchange, the applicant shall file with, and have approved by, the division a policy  
9 or policies of insurance to be approved by the division, which shall be issued by an  
10 insurer authorized to do business in this state, which insures and shall insure the  
11 applicant against loss by burglary, larceny, robbery, forgery or embezzlement in a  
12 principal sum, and with such deductibles, as determined by the division. Any such  
13 policy, with respect to forgery, may carry a condition that the community currency  
14 exchange assumes the first \$50 of each claim thereunder.

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15 SECTION 4. Initial applicability.

16 (1) The treatment of section 137.01 (1) (a) of the statutes first applies to  
17 appointments made on the effective date of this subsection.

18 (2) The treatment of section 218.05 (6) of the statutes first applies to  
19 applications for initial issuance or renewal of a license received by the division of  
20 banking on the effective date of this subsection.

21 SECTION 5. Effective date.

22 (1) This act takes effect on the first day of the 3rd month beginning after  
23 publication.

24 (END)



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRBa2222/1  
ARG:kjf&wlj:jm

SENATE AMENDMENT 1,  
TO 2011 SENATE BILL 390

February 1, 2012 – Offered by COMMITTEE ON FINANCIAL INSTITUTIONS AND RURAL  
ISSUES.

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

2 1. Page 1, line 3: delete “and”.

3 2. Page 1, line 3: after “exchanges” insert “, and eliminating the mortgage loan  
4 originator council”.

5 3. Page 2, line 1: before that line insert:

6 “SECTION 1c. 15.09 (6) of the statutes is amended to read:

7 15.09 (6) REIMBURSEMENT FOR EXPENSES. Members of a council shall not be  
8 compensated for their services, but, except as otherwise provided in this subsection,  
9 members of councils created by statute shall be reimbursed for their actual and  
10 necessary expenses incurred in the performance of their duties, such reimbursement  
11 in the case of an elective or appointive officer or employee of this state who represents  
12 an agency as a member of a council to be paid by the agency which pays his or her  
13 salary. ~~Members of the mortgage loan originator council under s. 15.187 (1) may not~~

1 ~~be reimbursed for their actual and necessary expenses incurred in the performance~~  
 2 ~~of their duties.~~ Members of the agricultural education and workforce development  
 3 council may not be reimbursed for their actual and necessary expenses incurred in  
 4 the performance of their duties.

5 SECTION 1g. 15.187 of the statutes is repealed".

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6 4. Page 2, line 1: delete "SECTION 1" and substitute "SECTION 1m".

SECTION 1m

7 5. Page 3, line 14: after that line insert:

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8 "SECTION 3g. 224.79 (1) of the statutes is amended to read:

9 224.79 (1) FORM AND CONTENT OF MORTGAGE BROKERAGE AGREEMENTS. Every  
 10 contract between a mortgage broker and an individual under which the mortgage  
 11 broker agrees to provide brokerage services to the individual relating to a residential  
 12 mortgage loan shall be in writing, in the form prescribed by rule of the division, and  
 13 shall contain all information required by rule of the division. The division shall  
 14 promulgate rules to administer this subsection ~~in consultation with the mortgage~~  
 15 ~~loan originator council under s. 15.187 (1).~~ The division and shall design these rules  
 16 to facilitate the comparison of similar charges and total charges assessed by different  
 17 mortgage brokers.

18 SECTION 3r. 224.79 (2) of the statutes is amended to read:

19 224.79 (2) DISCLOSURE STATEMENT. Before entering into a contract with an  
 20 individual to provide brokerage services relating to a residential mortgage loan, a  
 21 mortgage broker shall give the individual a copy of a disclosure statement, explain  
 22 the content of the statement, and ensure that the individual initials or signs the  
 23 statement, acknowledging that the individual has read and understands the  
 24 statement. The disclosure statement shall contain a brief explanation of the

1 relationship between the individual and the mortgage broker under the proposed  
2 contract, a brief explanation of the manner in which the mortgage broker may be  
3 compensated under the proposed contract, and any additional information required  
4 by rule of the division. The division shall promulgate rules to administer this  
5 subsection ~~in consultation with the mortgage loan originator council under s. 15.187~~  
6 ~~(1)~~ and, by rule, shall specify the form and content of the disclosure statement  
7 required under this subsection.

8

(END)