

the governing board of said city, town or village and such board shall, by resolution, levy and assess taxes sufficient to pay the same, against all of the taxable property included within the drainage area in his said town, city or village. Following such assessment and levy, the clerk of each such city, town or village shall place the same upon the tax roll to be collected as other taxes are collected upon all of the taxable property within such drainage area, and such moneys when collected shall be paid by the treasurer of each such city, town or village, to the treasurer of such city of the first class to the credit of said sewerage commission of such city of the first class.

(b) There is imposed upon all towns in counties in which under the provision of this section a metropolitan sewerage commission is created and appointed, all of the powers vested in villages under chapter 61 of the statutes relating to the power of villages to finance, assess, build, construct and maintain sewerage systems, mains, laterals, drains and all appurtenances, and all of the duties by such provision imposed upon the village boards or villages, their several committees and village clerk, shall be performed in such towns by the town boards and town clerks thereof; and all notices and specifications required thereby may be made and given by the towns in such work where no newspaper is published therein by posting five copies thereof in five public places in said town, and all duties by such provision imposed upon village clerk and village treasurer in extending upon the tax roll and collecting all assessments and taxes relating to such improvements, shall be performed in the same manner by town clerks and town treasurers of such towns.

11. All laws or parts of laws inconsistent herewith are hereby repealed.

SECTION 2. This act shall take effect upon passage and publication.

Approved July 13, 1921.

No. 423, A.]

[Published July 19, 1921.]

## CHAPTER 555.

AN ACT to repeal sections 2024—6 to 2024—13, inclusive, of the statutes, and to create sections 2024—6 to 2024—12, of the statutes, relating to the organization and powers of state banks, and providing a penalty.

*The people of the State of Wisconsin, represented in Senate and Assembly, do enact as follows:*

SECTION 1. Sections 2024—6 to 2024—13, inclusive, of the statutes are repealed.

SECTION 2. Seven new sections are added to the statutes to read: Section 2024—6. 1. Any number of adult persons, citizens of Wisconsin, not less than seven nor more than twenty, desiring to associate for the purpose of organizing a banking corporation under this chapter, shall make application to the commissioner of banking in such manner as may be prescribed on a form furnished by him.

2. Such application shall be prepared and filed in duplicate, and shall set forth:

- (a) The location of the proposed corporation;
- (b) The character of the business to be transacted;
- (c) The proposed capital;
- (d) The full name, residence, and occupation of each applicant;
- (e) Such other information as the commissioner of banking may require.

3. Upon receipt by the commissioner of banking of such application properly executed, he shall, within five days, forward to the applicants a copy of an official notice of application for authority to organize a bank, containing such information as shall make known to the public the facts specifically required by statute to be given in the application, and assigning a date and place for hearing on the application. Such notice shall be published once each week for four successive weeks by the applicants, at their own expense, in a newspaper published in the city, town, village, or place where such bank is to be located; or, if no newspaper is published therein, in a newspaper published in the county in which such place is located; or, if none is published in such county, then the newspaper published at the nearest county seat in an adjoining county. Following the last publication, proof of publication shall be filed with the commissioner of banking in such form as he may require.

4. The applicants shall pay to the commissioner of banking fifty dollars to defray the cost of the investigation of the application, which sum shall be paid into the state treasury.

5. Upon receipt of proof of publication, the commissioner of banking shall thereupon ascertain from the best sources of infor-

mation at his command, and by such investigation as he may deem necessary, whether the character, responsibility, and general fitness of the persons named in such application are such as to command confidence and to warrant the belief that the business of the proposed corporation will be honestly and efficiently conducted in accordance with the intent and purpose of this chapter; and whether public convenience and advantage will be prompted by allowing such bank to organize; and he also shall investigate the character and experience of the proposed officers, the adequacy of existing banking facilities, and the need of further banking capital; the outlook for the growth and development of the city, town, or village in which such bank is to be located, and the surrounding territory from which patronage would be drawn; the methods and banking practices of the existing bank or banks; the interest rate which they charge to borrowers; the character of the service which they render the community, and the prospects for the success of the proposed bank if efficiently managed. Such investigation shall be completed within ninety days from the filing in the office of the commissioner of banking of proof of publication and the making of the deposit herein required, but in the event a majority of the applicants and the commissioner of banking mutually agree to it, the time may be extended an additional period of sixty days.

6. Should the result of the investigation satisfy the commissioner of banking that the facts and conditions justify him in authorizing the organization of the bank and that the public will be benefited thereby, he shall endorse on each of the duplicate original applications the word "approved" over his official signature, but if the commissioner of banking is not so satisfied or believes the public interests will be endangered, he shall endorse the word "disapproved" thereon. One of the duplicate originals shall be filed in his office and the other returned by mail to the applicants.

7. In the event of the disapproval of the application for authority to organize a bank and the applicants feel aggrieved at such decision, they may appeal to the board of review, hereby constituted, which shall consist of the governor, the secretary of state, and the attorney-general. The governor shall be chairman of the board of review. The applicants so appealing shall file a notice, within thirty days of the date of the disapproval, with the commissioner of banking that they appeal from his decision made

on such application to the board of review hereinbefore constituted.

8. Upon the filing of such notice the commissioner of banking shall certify such application, together with his decision thereon and his reasons therefor, and the notice of appeal, to the governor. Upon the filing of such proceedings with the governor, the said board of review shall fix a time and place for the hearing of such appeal and shall notify the applicants and commissioner of banking thereof. The proceedings shall be reviewed by the board of review, and the board by majority vote shall make an order either affirming or reversing the order of the commissioner of banking. Such board of review shall prescribe the rules and procedure under which all appeals shall be heard, and may from time to time amend the same and may consider and act on any affidavits, records, or documents certified to it by the commissioner of banking.

9. Within three days after such determination by the board of review, all records and proceedings pertaining to such application shall be remitted to the commissioner of banking, and the decision and determination of the said board of review shall be final and conclusive and shall govern the future action of the commissioner of banking.

10. In the event of the approval of the application for authority to organize a banking corporation, the commissioner of banking shall issue to the applicants, who shall thereafter be known as the incorporators, a certificate of authority conferring upon them such powers as are incidentally or necessarily preliminary to the organization of a banking corporation. These powers shall include the effecting of a temporary organization, consisting of a chairman, a secretary, and a treasurer; the execution and filing of articles of incorporation; the making of rules for the procedure of the incorporators and the conduct of the first meeting of the stockholders; the opening of subscription books for stock; the securing of an option on real estate to be used as a banking house; the fixing of an amount at which the stock shall be sold; the collection of subscriptions to the stock; the selection of a depository for such funds as may be collected; the appointment of and acting by any agent or agents, and the compilation of a set of by-laws for submission to the stockholders.

11. The chairman of the incorporators shall preside at all meetings and shall exercise such other duties as ordinarily pertain to the position. The secretary shall attend to the correspondence of

the incorporators, shall record fully all proceedings of meetings of the incorporators, shall file and preserve all documents and papers of the organization, and shall attend to the filing of the necessary papers with the commissioner of banking. The treasurer shall receive all moneys paid in on subscriptions to stock or for other purposes, keep a true account thereof, shall deposit such funds in the designated depository, and shall pay such valid orders as may be drawn on him. The incorporators shall require a bond in a suitable amount from the treasurer, and other officers and agents who may handle the funds of the proposed bank. Claims against the organization shall be audited by the incorporators, and record of action thereon noted in the minutes. If ordered paid, an order shall be drawn upon the treasurer and signed by the president and secretary. The incorporators shall until the completion of the organization exercise such other powers as are conferred upon the incorporators by the statutes relating to other corporations, so far as such powers shall not be in conflict with the limitations of this chapter, and shall be applicable.

12. The aggregate amount of the capital stock of any bank shall not be less than ten thousand dollars in towns, villages or cities having less than fifteen hundred inhabitants; and shall not be less than twenty thousand dollars in towns, villages or cities having more than fifteen hundred and less than fifty-five hundred inhabitants; and shall not be less than twenty-five thousand dollars in any village or city having more than thirty-five hundred and less than five thousand inhabitants; and shall not be less than thirty thousand dollars in any city having more than five thousand and less than ten thousand inhabitants; and shall not be less than fifty thousand dollars in any city having more than ten thousand inhabitants; and shall not be less than two hundred thousand dollars in any city having a population of more than two hundred thousand inhabitants according to the last official census; provided that in a town of any population not having within its limits an incorporated or unincorporated city or village with a population of fifteen hundred inhabitants or more, this section shall not require a capital stock in excess of ten thousand dollars.

13. Any trust company bank may, by amendment to its articles of incorporation, duly adopted by its stockholders and approved by the commissioner of banking, in the manner prescribed for by section 2024—28n of the statutes, convert its corporate organization into that of a state bank with all the powers of a state banking

corporation under the statutes under such name as shall be declared by such amendment and approved by the commissioner of banking, which name may include the word "trust." Such converted corporation shall continue to have all the powers previously held by it as a trust company bank and shall be a continuation for all purposes whatsoever of the trust company bank so converted into a state bank, including holding and performing any and all trusts and fiduciary relations of whatsoever nature of which said trust company bank was fiduciary at the time of such conversion, and also including its appointment in any fiduciary capacity by any court or otherwise, and the holding, accepting and performing of any and all trusts and fiduciary relations whatsoever as to or for which said trust company bank may have been appointed, nominated or designated by any will or conveyance or otherwise, whether or not such trust or fiduciary relation shall have come into being and taken effect at such conversion. Whenever and if any such converted corporation shall have been fully discharged of and from any and all trusts committed to it, it may, by amendment to its articles of incorporation, duly adopted by its stockholders and approved by the commissioner of banking, surrender its powers to act in a fiduciary capacity and eliminate from its corporate name and style the word "trust;" and may thereupon withdraw from the state treasurer all securities by it deposited with him pursuant to section 2024—77j of the statutes.

14. Every bank incorporated under this section shall be known as a state bank.

Section 2024—7. No individual, partnership or corporation shall directly or indirectly receive or contract to receive any commission, compensation, bonus, right or privilege of any kind for organizing any banking corporation in this state, or for securing a subscription to the original capital stock of any banking corporation in this state, or to any increase thereof; provided, that this section shall not be construed as prohibiting an attorney or attorneys at law from receiving reasonable compensation for legal service in connection therewith. Each and every individual, partnership or corporation violating the provisions of this section shall forfeit to the state one thousand dollars for each and every such violation and in addition thereto double the amount of such commission, compensation or bonus.

Section 2024—8. 1. The articles of incorporation shall be filed with the commissioner of banking within sixty days from the date

of the certificate of authority to organize has been approved, and if not filed within that period all rights of the incorporators shall cease and the certificate of authority to organize be null and void.

2. The articles of incorporation shall be executed in triplicate, and shall be signed by not less than seven nor more than twenty-one persons, including a majority of the incorporators. All signers shall be citizens of the state of Wisconsin and subscribers to stock of the bank. Such articles shall contain :

(a) The declaration that they associate for the purpose of forming a banking corporation under and pursuant to the privileges and restrictions of this chapter, stating whether it is a state bank, trust company bank, or other type of corporation to which this chapter may apply ;

(b) The name of such bank, which name shall be subject to the approval of the commissioner of banking and in the case of any corporation organized after May 1, 1921, shall not be in any material respect similar to the name of any bank existing or which may have heretofore existed in the same county or in any adjoining county within a radius of fifty miles, and which name, except in the case of a bank organized as a mutual savings bank, shall not contain the word "savings ;"

(c) The particular village, town or city, and the county where such bank is to be located ;

(d) The amount of the capital stock ;

(e) The limitation, if any, on the duration of its existence.

Such articles may also contain any other lawful provisions defining and regulating the powers or business of the bank, its officers or directors ; the transfer of its stock and the disposition of new stock which may be created by the original capital being increased by amendment to the articles.

3. The commissioner of banking shall, within his discretion, approve or disapprove such articles of incorporation. If approved, the commissioner of banking shall endorse on each of the three triplicate originals the word "approved." One of such originals he shall file in his office, and to the two remaining originals he shall attach a certificate showing the date of filing, the approval and date of approval, and return the same to the incorporators. One of such originals shall be filed with the records of the bank, and the other shall be recorded in the office of the register of deeds of the county in which such banking corporation is located. No bank shall until its articles be left for record with the register of deeds

have legal existence, nor be authorized to exercise any other powers than those incidentally or necessarily preliminary to its organization.

4. A fee of one hundred dollars shall be paid to the commissioner of banking when the articles of incorporation are filed, and the commissioner of banking shall pay such fee into the state treasury.

5. A certificate signed by the register of deeds, showing the articles have been filed in his office, shall be returned to the commissioner of banking.

6. Within sixty days from the filing of the articles of incorporation, the incorporators shall file with the commissioner of banking, in duplicate, a complete list of the stockholders of the proposed bank, showing the number of shares held by each, the post-office address, and the approximate worth of each.

7. Within the same period the incorporators shall also file a declaration subscribed and sworn to by each of them, setting forth to the best of their knowledge and belief :

(a) That all stockholders have subscribed for the stock accredited to them in list of stockholders, in good faith and not as the representative or agent of any corporation or other person ;

(b) That all stockholders are possessed of a sufficient amount of property in this state, over lawful exemptions, to make the double liability imposed on stockholders of a bank by section 2024—44, collectible ;

(c) That no individual, partnership, or corporation has, directly or indirectly, by any of them been paid any commission, compensation, or bonus, or been given any right or privilege of any kind ; nor has any contract or agreement been entered into for payment at any future time of any commission, compensation, or bonus ; nor has any promise or agreement, direct or indirect, been entered into to give or allow any person, partnership, or corporation any concession, contract, or privilege ;

(d) That the stock subscriptions have been fully paid in lawful money ;

(e) That no incorporator has entered into any agreement or promise that the bank when open shall loan to any stockholder funds for the purpose of paying any indebtedness that may have been incurred by a stockholder to obtain funds to make payment for stock ;

(f) That all money received in payment of stock subscriptions, except such amount as may have been paid out by order of the incorporators, is on deposit to the credit of the incorporators in the depository bank.

Section 2024—9. 1. Upon the execution and filing of the articles of incorporation with the commissioner of banking and the approval by the commissioner, and upon the filing of an approved copy of such articles with the register of deeds of the county in which the bank is to be located, the bank shall become a body corporate, and in addition to the powers conferred by the general corporations law, subject to the restrictions and limitations contained in this section, having the following powers:

(a) To make contracts necessary and proper to effect its purpose and conduct its business;

(b) To sue and be sued; to appear and defend in all actions and proceedings under its corporate name to the same extent as a natural person;

(c) To adopt and use a corporate seal and alter the same at pleasure;

(d) To elect or appoint the necessary officers, agents and servants, define their duties and obligations, fix their compensation, dismiss them, fill vacancies, and require bonds;

(e) To make, amend, and repeal by-laws and regulations, not inconsistent with law or its articles of incorporation, for its own government, for the orderly conduct of its affairs and the management of its property, for determining the manner of calling and conducting its meetings, and such others as shall be necessary or convenient for the accomplishment of its purpose; provided, that such by-laws shall provide for safe and orderly conduct of the corporation's business and for the protection of its depositors and stockholders, and no by-laws or regulations, or amendments or repeal thereof, shall become of effect until approved by the commissioner of banking;

(f) To exercise by its board of directors, or duly authorized officers or agents, subject to law, all such incidental powers as shall be usual and necessary to carry on the business of banking; by buying, discounting, and negotiating promissory notes, bonds, drafts, bills of exchange, foreign and domestic, and other evidences of debt; by buying and selling coin and bullion; by receiving commercial and savings deposits under such regulations as it may establish; by buying and selling exchange, and by loans on

personal and real security as hereafter provided ; but no bank shall establish more than one office of deposit and discount or establish branch offices or branch banks, provided that this prohibition shall not apply to any branch office or bank established prior to May 14, 1909 ;

(g) To have succession until it is dissolved by the act of its shareholders owning two-thirds of its stock, or until its corporate existence becomes terminated by provision of its articles of incorporation or its franchise becomes forfeited by some violation of the law ;

(h) To deposit with the treasurer of the United States so much of its assets not exceeding its capital and surplus as may be necessary under the act of congress, approved June 25, 1910, and all amendments thereof, to qualify as a depository for postal savings funds ; and during a period the United States is at war, and for five years thereafter, other government deposits.

2. Any bank may take and receive from any individual or corporation for safe keeping and storage, gold and silver plate, jewelry, money, stocks, securities, and other valuables or personal property ; and rent out the use of safes or other receptacles upon its premises upon such compensation as may be agreed upon. Such bank shall have a lien for its charges on any property taken or received by it for safe keeping, and in case such lien shall not be paid within two years from the date it accrues, or in case any property so taken or received by it shall not be called for by the person or persons depositing the same, or his or their legal representatives or assigns, within two years from the date of the accruing of any lien upon the same, such bank may sell such property at public auction upon like notice as is required by law for sales of personal property on execution, and after retaining from the proceeds of such sale all the liens and charges due and owing and the reasonable expenses of the sale, shall pay the balance thereof to the person or persons so depositing such property, or his or their legal representatives or assigns.

3. Any bank may purchase and hold, for the purpose of becoming a member of the federal reserve bank, so much of the capital stock thereof as will qualify it for membership in such reserve bank pursuant to an act of congress, approved December 23, 1913, entitled the "Federal Reserve Act;" may become a member of such federal reserve bank, and may have and exercise all powers, not in conflict with the laws of this state, which are

conferred upon any such member bank by the "Federal Reserve Act." Such member bank and its directors, officers, and stockholders shall continue to be subject, however, to all liabilities and duties imposed upon them by any law of this state.

4. Any bank may, with the approval of the commissioner of banking, invest an amount not exceeding in the aggregate ten per centum of its paid in capital stock in the stock of one or more banks or corporations chartered or incorporated under the laws of the United States, and principally engaged in international or foreign banking, or banking in a dependency or insular possession of the United States either directly or through the agency, ownership or control of local institutions in foreign countries, or in such dependencies, or insular possessions; including the stock of one or more banks or corporations chartered or incorporated under section 25a of the federal reserve act, as approved December 24, 1919.

Every such bank investing in the capital stock of banks or corporations as provided herein shall be required to furnish information concerning the condition of such banks or corporations to the commissioner of banking upon demand. If at any time the commissioner of banking shall ascertain or believe that any regulations prescribed by him with reference to such business are not being complied with, said commissioner of banking is hereby authorized and empowered to institute an investigation of the matter in order to satisfy himself as to the actual nature of the transactions referred to. Should such investigation result in establishing the failure of the corporation in question, or of the bank or banks which may be stockholders therein, to comply with the regulations laid down by the said commissioner of banking, such bank or banks may be required to dispose of stock holdings in said corporation upon reasonable notice.

5. When thereto authorized by the commissioner of banking, and if and after it shall have in good faith complied with all requirements of law and fulfilled all the conditions precedent to the exercise of such powers imposed by law upon trust company banks, except section 2024—77j, any bank may act as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, and in any other fiduciary capacity in which trust company banks are permitted to act and when so appointed, is authorized and shall be required to execute bond with a corporation authorized to

transact surety business as surety in such amount and in other respects as shall be directed or approved by the court exercising jurisdiction of such trust. In passing upon applications for permission to exercise such fiduciary powers, the commissioner of banking may take into consideration the amount of capital and surplus of the applying bank, whether or not such capital and surplus is sufficient under the circumstances, the needs of the community to be served, and any other facts and circumstances that seem to him material, and may grant or refuse the application accordingly; provided that no special authorization shall be issued to any such bank having a capital less than the capital from time to time required by law of a national bank exercising fiduciary power in the same place. If satisfied that such bank has in good faith complied with all the requirements of law and fulfilled all the conditions precedent to the exercise of such powers imposed by law, the commissioner of banking may within six months after the date on which the application of such bank was filed, issue under his hand and official seal, in triplicate, a special authorization certificate to such bank. Such certificate shall state that the bank named therein has complied with the provisions of law applicable to banks exercising fiduciary powers, and is authorized to exercise the same. One of the triplicate special authorization certificates shall be transmitted by the commissioner of banking to the bank thereby authorized to exercise fiduciary power; another shall be filed and recorded in the office of the commissioner of banking, and the third shall be recorded at the expense of such bank in the office of the register of deeds of the county in which such bank is located. In the conduct of its business under or in connection with such authorization to exercise fiduciary powers every bank so authorized shall comply with and be governed by all the provisions of law from time to time applicable to individuals acting in a similar capacity.

Section 2024—10. No bank shall transact any business, except such as is incidental or necessarily preliminary to its organization, until it has been regularly authorized by the commissioner of banking to commence the business of banking. A banking corporation failing to pay in its capital and to receive authority from the commissioner of banking to commence business within one year from the date of filing its articles of incorporation shall cease to exist and such articles of incorporation shall be null and void.

Section 2024—11. Whenever a bank organizing under this chapter has complied with all provisions of the law and has adopted by-laws approved by the commissioner of banking and has provided itself with suitable banking quarters and has supplied the necessary books, forms, stationery, furniture and equipment for the proper and orderly transaction of the business of banking it shall give notice in writing to the commissioner of banking that it is so prepared, and the commissioner of banking shall make or cause to be made an examination. If such examination satisfies the commissioner that such bank has complied with all provisions of the law, and it appears that such bank is lawfully entitled to commence business, he shall forthwith give to such bank a certificate of authority under his hand and official seal that such bank is authorized to commence business. If the commissioner of banking has reason to believe that the stockholders have formed the corporation for any other than the legitimate business contemplated by this chapter, or that any of the facts stated in the declaration are untrue, or that other reasons exist, which would make the opening of the bank injurious to the public interest, he may, with the advice and consent of the attorney-general, withhold the certificate herein mentioned.

Section 2024—12. The bank shall cause the certificate issued hereunder to be published in some newspaper printed in the village, town or city where such bank is located, or if no newspaper is printed in such place, in a newspaper printed in the county where the bank is located; or if no newspaper is printed in such county, in a newspaper printed in an adjoining county. Such notice shall be printed once each week for four successive weeks, and the first printing thereof shall be within fifteen days of the issuing of the certificate. Proof of publication shall be filed with the commissioner of banking. In the event of any bank failing to comply with the provisions of this section the commissioner of banking shall cause the notice to be published and the bank shall be liable for the expense thereof, and in addition thereto such bank shall be subject to a penalty of one hundred dollars, which amount shall be collected by the commissioner of banking, and when recovered shall be paid into the state treasury.

SECTION 3. This act shall take effect upon passage and publication.

Approved July 13, 1921.