

CHAPTER 344 , Laws of 1981

AN ACT to renumber and amend 221.14 (4m); to amend 221.04 (1) (i) and 221.12; to repeal and recreate 221.04 (1) (j); and to create 221.14 (4m) (b) of the statutes, relating to authorizing banks to establish branches under certain circumstances and to acquire real estate used for remote paying and receiving facilities.

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

SECTION 1. 221.04 (1) (i) of the statutes is amended to read:

221.04 (1) (i) To establish and maintain, upon approval by the commissioner, a bank station, as defined by the commissioner, exclusively to receive deposits, permit withdrawals, issue cashiers' checks, money orders, drafts and travelers' checks and provide safekeeping and safety deposit services in any town completely surrounded by outlying waters and having no bank or place where such banking may be done in the town or readily accessible to all persons of the town desiring the service. A bank whose home bank is located on a body of land completely surrounded by outlying waters, as defined in s. 29.01 (4), may establish and maintain a bank station across such outlying waters from the home bank but within the same municipality. Such a bank station is not subject to the ~~3-mile limitation~~ distance limitations of par. (j) 2 or 3. Interpretation of this paragraph by the comptroller of currency to mean that a national bank may establish a bank station, branch bank or branch office in any place or town other than in one completely surrounded by outlying waters will render this paragraph void.

SECTION 2. 221.04 (1) (j) of the statutes is repealed and recreated to read:

221.04 (1) (j) 1. To establish and maintain a branch bank, upon approval by the commissioner and the banking review board, within 25 miles of the home bank or within the county of the home bank, whichever is greater.

2. A bank may not establish a branch under subd. 1 within 0.75 miles of another bank's branch existing on the effective date of this paragraph (1981).

3. A bank may not establish a branch under subd. 1 within 1.5 miles of another home bank.

4. Notwithstanding subd. 2 or 3, a home bank owned by a bank holding company on the effective date of this paragraph (1981), may be converted to a branch pursuant to a merger or consolidation under s. 221.25 if it is within the distance specified in subd. 1 of the home bank of which it will become a branch and which also is owned by the bank holding company. For purposes of this paragraph, a home bank converted to a branch under this subdivision is a branch existing on the effective date of this paragraph (1981).

5. Notwithstanding subd. 2 or 3, a home bank created by a bank holding company after the effective date of this paragraph (1981), may be converted to a branch pursuant to a merger or consolidation under s. 221.25 if it was owned by the bank holding company for at least 5 years before conversion and if it is within the distance specified in subd. 1 of the home bank of which it will become a branch and which also is owned by the bank holding company. For purposes of this paragraph, a home bank converted to a branch under this subdivision is a branch existing on the effective date of this paragraph (1981).

6. A home bank acquired by a bank holding company after the effective date of this paragraph (1981), may be converted to a branch pursuant to a merger or consolidation under s. 221.25 if it is within the distance specified in subd. 1 of the home bank of which it will become a branch and which also is owned by the bank holding company, except that if

it is within the territory specified in subd. 2 or 3 for another bank's branch or another home bank, it may not be converted until 5 years after its initial establishment. For purposes of this paragraph, a home bank converted to a branch under this subdivision is a branch existing on the effective date of this paragraph (1981).

7. A home bank may be merged into or consolidated with another home bank pursuant to s. 221.25, if the home banks are within the distance specified in subd. 1. The home bank may be converted to a branch of the surviving home bank, except that if it is within the territory specified in subd. 2 or 3 for another bank's branch or another home bank, and it is to be converted to a branch of the surviving home bank, the merger or consolidation may not occur until 5 years after initial establishment of the merged or consolidated bank. For purposes of this paragraph, a home bank converted to a branch under this subdivision is a branch existing on the effective date of this paragraph (1981).

8. Notwithstanding subs. 1 to 3, a branch of a home bank converted to a branch under subd. 4, 5, 6 or 7 becomes a branch of the new home bank. For purposes of this paragraph, a branch existing on the effective date of this paragraph (1981), as a branch of the converted home bank, is a branch existing on the effective date of this paragraph (1981), of the home bank of which it becomes a branch under this subdivision.

9. Notwithstanding subd. 2 or 3 and with the approval of the commissioner and the banking review board, a bank may relocate its home bank under this paragraph to another place in the municipality in which the home bank is located and continue to operate the former home bank as a branch at the same location or at a location within 1,500 feet of its prior location, if all of the following conditions are met:

a. The new home bank location is at least 0.75 miles from a branch existing on the effective date of this paragraph (1981), of any other bank or from another home bank.

b. At least 25 % by area of the real property within 2 miles of the former home bank is a blighted area, as defined in s. 66.431 (4) (e), or an area in need of rehabilitation or conservation work within the meaning of s. 66.435 (3).

c. The bank has experienced, over at least the past 5 years, deposit growth, retention of earnings or a return on invested capital which is substantially below the average for all banks in this state.

10. Notwithstanding subd. 2 or 3 and with the approval of the commissioner and the banking review board, a branch may be relocated no more than once every 10 years within 1,500 feet of its prior location, except that its initial location continues to be its location for purposes of subs. 1 to 9 and 11 to 19.

11. A home bank may establish a branch within the territory authorized under subd. 1 in another state, with the approval of the commissioner, the banking review board and the appropriate regulator of the other state.

12. Except as provided in subd. 12m, the location of a home bank on the effective date of this paragraph (1981), or upon the creation of the home bank, whichever is later, continues to be its location for purposes of this paragraph, notwithstanding any subsequent relocation or redesignation of the home bank.

12m. Notwithstanding subs. 1 to 3 or 12 and with the approval of the commissioner and the banking review board, the location or designation of a home bank may be changed once before January 1, 1984 and the changed location continues to be its location for purposes of this paragraph, notwithstanding any subsequent relocation or redesignation of the home bank. If a home bank in existence on the effective date of this paragraph (1981) establishes or applies for authority to establish a new branch of that home bank after the effective date of this paragraph and before January 1, 1984, the location and designation of that home bank may not be changed. For purposes of this paragraph, a home bank relocated or redesignated under this paragraph is a home bank existing on the effective date of this paragraph (1981).

13. A home bank or branch exists on the effective date of this paragraph (1981) if its establishment was approved by the appropriate state or federal regulator before the effective date of this paragraph (1981).

14. Subdivisions 1 to 3 and 7 do not apply to an emergency situation where the commissioner finds that a bank is failing and that it must be merged or consolidated under s. 221.25 for the protection of depositors. The opportunity to merge or consolidate with the bank shall first be offered to and not accepted by all other banks within the distances specified in subd. 1 before it may be offered to a bank outside of the distances specified in subd. 1.

15. A merger or consolidation resulting in conversion of a home bank to a branch under subd. 4, 5, 6 or 7 shall be approved under s. 221.25 if the financial and managerial resources and future prospects of the surviving home bank are satisfactory to the commissioner.

16. All distances under this paragraph shall be measured in a straight line from the nearest adjacent points in the respective property lines.

17. This paragraph does not invalidate or impair the business of banking at any branch office, branch bank or bank station existing on the effective date of this paragraph (1981).

18. Application for the establishment of a branch under this paragraph shall be made to the commissioner on a form furnished by the commissioner.

19. Branches established under this paragraph are subject to all laws and rules applicable to banks generally.

SECTION 3. 221.12 of the statutes is amended to read:

221.12 Articles may be amended. A bank may amend its articles of association in any manner not inconsistent with law, at any time, by a vote of its stockholders representing two-thirds of the capital stock, such vote to be taken at a meeting called for that purpose. The amendment may provide for a change of location of the bank, subject to s. 221.04 (1) (j) and the approval of the commissioner of banking. ~~The Subject to s. 221.04 (1) (j),~~ the amendment may provide for a change of the location of a parent bank to the location of a branch thereof and a change of the location of a branch thereof to the location of a parent bank if the change is first approved by the commissioner of banking upon application. The amendment, certified by the president and cashier, and setting forth the volume and page of recording in the office of the register of deeds of the original articles of association, shall be recorded as required for articles of incorporation. No increase of the capital shall be valid until the amount thereof has been subscribed and actually paid in. The entire surplus fund of a bank, or as much thereof as may be required, may be declared and paid out as a stock dividend to apply on, and be converted into, such increase of capital. No reduction of capital shall be made to a less amount than is required under this chapter for capital, nor be valid or warrant the cancellation of stock certificates or diminish the personal liability of stockholders, until such reduction has been approved by the commissioner. No reduction may be effected in any other way than by a proportional reduction of all outstanding shares unless approved by the commissioner. The approval may be given only when the commissioner is satisfied that the reduction of the capital is in the best interests of the depositors.

SECTION 4. 221.14 (4m) of the statutes is renumbered 221.14 (4m) (a) and amended to read:

221.14 (4m) (a) Real estate, if such real estate is within ~~1,000 feet~~ the distances under par. (b) of the main or a branch office of the bank and used as a manned or unmanned remote facility for paying and receiving only. All measurements under this subsection shall be made in a straight line from the nearest adjacent points in the respective property lines. Remote facilities may be established only with specific approval by

the commissioner and the banking review board. The authority under this subsection is in addition to the authority to establish facilities which are attached to or a part of the main or a branch office of a bank.

SECTION 5. 221.14 (4m) (b) of the statutes is created to read:

221.14 (4m) (b) 1. Except as provided in subd. 2, one mile.

2. If the real estate or the main or branch office is within a federal standard metropolitan statistical area containing a 1st class city, 0.5 miles.
