



2005 SENATE BILL 511

January 19, 2006 - Introduced by LAW REVISION COMMITTEE. Referred to
Committee on Housing and Financial Institutions.

1 **AN ACT to repeal** 186.35; and **to amend** 34.07, 34.08 (2), 186.082 (1) (b), 186.082
2 (2) (f), 186.086 (1) (b), 186.093 (1), 186.093 (2), 186.314 (4), 231.17, 445.125 (1)
3 (b) 1. and 880.04 (2) (a) of the statutes; **relating to:** eliminating the Wisconsin
4 credit union savings insurance corporation (suggested as remedial legislation
5 by the Department of Financial Institutions).

Analysis by the Legislative Reference Bureau

Current law provides for the organization and operation of the Wisconsin Credit Union Savings Insurance Corporation, which was organized for the purpose of insuring the deposit accounts of a credit union. The deposit accounts of all Wisconsin credit unions, however, are currently insured through the national credit union share insurance fund. The Wisconsin Credit Union Savings Insurance Corporation no longer exists. With certain limited exceptions, the bill removes the provisions in current law relating to the Wisconsin Credit Union Savings Insurance Corporation.

For further information, see the NOTES provided by the Law Revision Committee of the Joint Legislative Council.

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

SENATE BILL 511

LAW REVISION COMMITTEE PREFATORY NOTE: This bill is a remedial legislation proposal, requested by the department of financial institutions and introduced by the law revision committee under s. 13.83 (1) (c) 4., stats. After careful consideration of the various provisions of the bill, the law revision committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

1 **SECTION 1.** 34.07 of the statutes is amended to read:

2 **34.07 Security.** A surety bond or other security may be required of or given
3 by any public depository for any public deposits that exceed the amount of deposit
4 insurance provided by an agency of the United States ~~or by the Wisconsin credit~~
5 ~~union savings insurance corporation~~ and the coverage provided under s. 34.08 (2).

6 **SECTION 2.** 34.08 (2) of the statutes is amended to read:

7 34.08 (2) Payments under sub. (1) shall be made in the order in which
8 satisfactory proofs of loss are received by the division of banking. The payment made
9 to any public depositor for all losses of the public depositor in any individual public
10 depository may not exceed \$400,000 above the amount of deposit insurance provided
11 by an agency of the United States ~~or by the Wisconsin Credit Union Savings~~
12 ~~Insurance Corporation~~ at the public depository ~~which~~ that experienced the loss.
13 Upon a satisfactory proof of loss, the division of banking shall direct the department
14 of administration to draw its warrant payable from the appropriation under s. 20.144
15 (1) (a) and the secretary of administration shall pay the warrant under s. 16.401 (4)
16 in favor of the public depositor that has submitted the proof of loss.

17 **SECTION 3.** 186.082 (1) (b) of the statutes is amended to read:

18 186.082 (1) (b) The Wisconsin credit union savings insurance corporation
19 organized under s. 186.35, 2003 stats.

20 **SECTION 4.** 186.082 (2) (f) of the statutes is amended to read:

21 186.082 (2) (f) A natural person who is ~~or~~ was a trustee of the Wisconsin credit
22 union savings insurance corporation organized under s. 186.35, 2003 stats.

SENATE BILL 511

1 **SECTION 5.** 186.086 (1) (b) of the statutes is amended to read:

2 186.086 (1) (b) If the credit union was incorporated before June 13, 1987, by
3 an amendment to the articles of incorporation which becomes effective on or after
4 June 13, 1987, as provided ~~in s. 186.02 (4) (a) or under s. 186.35 (1), on or after June~~
5 ~~13, 1987~~ 2003 stats., or s. 186.02 (4) (a).

6 **SECTION 6.** 186.093 (1) of the statutes is amended to read:

7 186.093 (1) “Credit union” means a cooperative, nonprofit corporation
8 incorporated under s. 186.02 and the Wisconsin credit union savings insurance
9 corporation organized under s. 186.35, 2003 stats.

10 **SECTION 7.** 186.093 (2) of the statutes is amended to read:

11 186.093 (2) “Director or officer” means a natural person who serves as a
12 director or officer of a credit union, a member of a credit union’s credit committee, or
13 a natural person who was a trustee of the Wisconsin credit union savings insurance
14 corporation organized under s. 186.35, 2003 stats.

15 **SECTION 8.** 186.314 (4) of the statutes is amended to read:

16 186.314 (4) Upon ceasing to be a state credit union, the credit union shall no
17 longer be subject to this chapter. The successor federal credit union shall be vested
18 with all the assets and shall continue to be responsible for all of the obligations of the
19 state credit union, ~~including annual and special assessments levied under s. 186.35~~
20 ~~(5) (d) prior to the date a copy of the federal credit union charter is filed with the office~~
21 ~~of credit unions, to the same extent as though the conversion had not taken place.~~

22 **SECTION 9.** 186.35 of the statutes is repealed.

23 **SECTION 10.** 231.17 of the statutes is amended to read:

24 **231.17 Investment of funds.** The authority may invest any funds in bonds,
25 notes, certificates of indebtedness, treasury bills, or other securities constituting

SENATE BILL 511**SECTION 10**

1 direct obligations of, or obligations the principal and interest of which are
2 guaranteed by, the United States; in those certificates of deposit or time deposits
3 constituting direct obligations of any bank that are insured by the federal deposit
4 insurance corporation; in certificates of deposit constituting direct obligations of any
5 credit union that are insured by ~~the Wisconsin credit union savings insurance~~
6 ~~corporation~~ or the national board, as defined in s. 186.01 (3m); in certificates of
7 deposit constituting direct obligations of any savings and loan association or savings
8 bank that are insured by the federal deposit insurance corporation; in short-term
9 discount obligations of the federal national mortgage association; or in any of the
10 investments provided under s. 66.0603 (1m) (a). Any such securities may be
11 purchased at the offering or market price thereof at the time of such purchase.

12 **SECTION 11.** 445.125 (1) (b) 1. of the statutes is amended to read:

13 445.125 (1) (b) 1. All trust funds under par. (a) shall be deposited with a bank
14 or trust company within the state whose deposits are insured by the federal deposit
15 insurance corporation, deposited in a savings and loan association or savings bank
16 within the state whose deposits are insured by the federal deposit insurance
17 corporation, or invested in a credit union within the state whose savings are insured
18 by the national board, as defined in s. 186.01 (3m), ~~or by the Wisconsin credit union~~
19 ~~savings insurance corporation~~ and shall be held in a separate account in the name
20 of the depositor, in trust for the beneficiary until the trust fund is released under
21 either of the conditions provided in par. (a) 1.

22 **SECTION 12.** 880.04 (2) (a) of the statutes is amended to read:

23 880.04 (2) (a) Deposit in a savings account in a bank, the payment of whose
24 accounts in cash immediately upon default of the bank are insured by the federal
25 deposit insurance corporation; deposit in a savings account in a savings bank or a

SENATE BILL 511

1 savings and loan association that has its deposits insured by the federal deposit
2 insurance corporation; deposit in a savings account in a credit union having its
3 deposits guaranteed by ~~the Wisconsin credit union savings insurance corporation or~~
4 ~~by~~ the national board, as defined in s. 186.01 (3m); or invest in interest-bearing
5 obligations of the United States. The fee for the clerk's services in depositing and
6 disbursing the funds under this paragraph is prescribed in s. 814.61 (12) (a).

NOTE: Current law provides for the organization and operation of the Wisconsin Credit Union Savings Insurance Corporation. The board was organized to insure the deposit accounts of a credit union. The deposit accounts of all Wisconsin credit unions, however, are currently insured through the national credit union share insurance fund. The Wisconsin Credit Union Savings Insurance Corporation no longer exists. SECTIONS 1 through 12 delete references to the Wisconsin Credit Union Savings Insurance Corporation.

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