

lution shall be supported in a *county*, town, village or city by at least three-fourths of all the members-elect of its governing body.

(4) LIMITATION ON AMOUNT. Such temporary borrowing by any *county* or city is limited to such an amount as its *board* or common council deems necessary to its safety and interest; by a town or village, to the amount for which it has levied a special tax as required by subsection (2).

(7) (a) (As amended in Chapter 374, Laws of 1931) In counties having two hundred thousand inhabitants or more, \* \* \* in any year, a sum not exceeding fifty per centum of the last tax levy for county purposes, such money to be repaid with interest at the agreed rate on or before the fifteenth day of April \* \* \* of the next following year.

SECTION 2. A new paragraph is added to subsection (1) of section 67.04 of the statutes to read: (67.04) (1) (m) To provide relief and assistance to those in need.

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

Approved January 15, 1932.

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No. 6, A.]

[Published January 19, 1932.

## CHAPTER 10.

AN ACT to repeal, renumber, amend, and create various sections and subsections of chapters 14, 20, 220, 221 and 224 of the statutes, relating to the banking department, the banking review board, and the regulation of banks, providing penalties, and making appropriations.

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

SECTION 1. Section 220.01 and subsections (1), (2) and (3) of section 220.02 of the statutes are amended to read: 220.01 There is hereby established in this state a banking department, which shall have charge of the execution of the laws relating to banks and the banking business in this state. Such department shall be designated as the state banking department, and shall be under the management and control of a chief officer who shall be called the commissioner of banking. *There is also established as*

*a part of said department a board consisting of five members to be known as the banking review board which shall have such powers and perform such duties as are prescribed by law.*

(220.02) (1) The commissioner of banking shall be appointed by the governor, by and with the advice and consent of the senate, and shall hold his office for the term of five years, and until his successor shall have been appointed and qualified. The commissioner of banking may appoint a deputy, and revoke such appointment at pleasure \* \* \*. The term of office of the commissioner of banking assuming the duties of that office on the first day of February, 1911, shall be deemed to have expired on the fifteenth day of May, 1913, and the term of office of the commissioner of banking confirmed by the senate on the tenth day of June, 1913, shall expire on the fifteenth day of May, 1918; thereafter, the term of office of the commissioner of banking shall expire on the fifteenth day of May in the fifth year succeeding his appointment and confirmation.

(2) Such deputy shall possess all powers, and perform the duties attached to the office of the commissioner of banking during a vacancy in such office and during the absence or inability of his principal. The commissioner of banking may also employ \* \* \* *not more than two assistant deputies who shall be especially well qualified to examine banks and render advisory service to them and to aid in the enforcement of the banking laws and who shall perform such service and receive such reasonable compensation therefor not exceeding five thousand dollars a year each, as shall be fixed by the commissioner with the approval of the banking review board. Each such assistant deputy shall take the place of one examiner.*

(3) The salaries of the commissioner of banking, deputy, assistant deputies, examiners and clerks shall be paid monthly by the state treasurer, upon a voucher countersigned by the secretary of state. Vouchers for the deputy's, assistant deputies', the examiners' and clerks' salaries must be first approved by the commissioner of banking.

SECTION 2. A new section is added to the statutes to read: 220.035 BANKING REVIEW BOARD. (1) The five members of the banking review board shall be appointed by the governor with the advice and consent of the senate. At least two members of the board shall be experienced bankers having at

least five years' experience in the banking business. There shall be appointed by the governor one member whose term shall expire on the first Monday of January, 1933; a second to expire on the first Monday of January, 1934; a third to expire on the first Monday of January, 1935; a fourth to expire on the first Monday of January, 1936; a fifth to expire on the first Monday of January, 1937. After the expiration of these respective terms the term of each member of said board shall be five years expiring on the first Monday of January of the proper year in each case. Vacancies shall be filled by appointment by the governor.

(2) The duties of the board shall be to advise with the commissioner of banking and others in respect to improvement in the condition and service of banks and banking business in this state and to review the acts and decisions of the banking commissioner and to perform such other review functions in relation to banking as may be provided by law. The board shall have the same powers in respect to subpoenaing witnesses as are possessed by the industrial commission and also the power granted by subsection (4) of section 325.01. Any party in interest shall have the right to appear in any proceeding of the board and shall have the right to participate in the examination of witnesses and to present evidence. Any person causing a witness to be subpoenaed shall advance and pay the fees and mileage of such witness which shall be the same as in circuit court. The fees of witnesses who are called at the instance of the board in the interests of the state shall be paid by the state in the same manner that other expenses are audited and paid upon presentation of properly verified vouchers approved by at least one member of the board and charged to the appropriation of the banking department. Each member of the board and all employes of the board shall, with respect to the disclosure of information concerning banks, be subject to the same requirements and penalties as the commissioner of banking. Three members shall constitute a quorum and a majority vote of those present shall decide. No member of such board shall be qualified to act in any matter involving a bank in which he is an officer, director or stockholder or to which he is indebted.

(3) Any final order or determination of the banking review board shall, unless some other method of review is specially provided by law, be subject to review in an action in the circuit court for Dane county which action shall be governed as to time of com-

mencement and in all other respects by the provisions of law as to actions to review awards of the industrial commission except that in actions to review orders or determinations of the banking review board additional evidence may in the discretion of the court be received in the circuit court or the case sent back to the review board for the taking of further testimony if the court shall be of the opinion that additional evidence should be taken. On any such review the court shall affirm, reverse or modify the order or determination of the banking review board as the evidence and the law may require. Appeals to the supreme court from the circuit court shall, as to time of appeal and in all other respects, be governed by the same provisions that apply to appeals from said court in cases arising out of awards of industrial commission.

(4) The said board shall have an office in the quarters of the banking department in the state capitol. Said board shall choose a secretary, who shall keep a record of the meetings of said board and of all hearings, decisions, orders and determinations of the board. The board may make reasonable rules and regulations not inconsistent with law as to the time of meetings, time of hearings, notice of hearings and manner of conducting same and of deciding the matters presented. The board may direct that hearings and testimony be taken by any member of the board or by an examiner designated by the board.

(5) The members of said board shall receive reimbursement from the state for their actual expenses as in case of other state officers. They shall also each receive fifteen dollars per day for each day expended in the work of the board, but such compensation for service shall not exceed in the case of any one member nine hundred dollars per year, exclusive of expenses. The expenses of the banking review board including salaries and expenses of members of board and employes thereof shall be paid by the state upon the presentation of properly verified vouchers approved by at least one member of the board and the secretary of the board and shall be charged to the appropriation to the banking department. The board may employ assistance necessary in the performance of its work and fix the reasonable compensation therefor, subject to provisions of any statutes applicable thereto.

SECTION 3. Subsection (1) of section 14.71 and section 20.53 of the statutes are amended to read: (14.71) (1) Except as ex-

pressly provided by law, the governor, secretary of state, state treasurer, attorney-general, state superintendent, commissioner of insurance, state fire marshal, director of purchases, railroad commission, industrial commission, adjutant general, state board of control, grain and warehouse commission, director of personnel, tax commission, commissioners of public lands, state conservation commission, supervisor of inspectors of illuminating oils, commissioner of banking, *banking review board*, free library commission, state chief engineer, department of agriculture and markets, director of the budget, geological and natural history survey, state board of health, state highway commission, state board of medical examiners, state board of dental examiners, state board of pharmacy, Wisconsin real estate brokers board, state board of vocational education and state athletic commission are each authorized to appoint such deputies, assistants, experts, clerks, stenographers, or other employes as shall be necessary for the execution of their functions, and to designate the titles, prescribe the duties, and fix the compensation of such subordinates, but these powers shall be exercised subject to the state civil service law, unless the position filled by any such subordinate has been expressly exempted from the operation of chapter 16 and subject, also, to the approval of such other officer or body as may be prescribed by law.

20.53 COMMISSIONER OF BANKING. There is appropriated from the general fund to the state banking department for the execution of its functions, \* \* \* *for the year beginning July 1, 1931, one hundred \* \* \* sixty-six thousand \* \* \* three hundred fifty dollars and annually, beginning July 1, 1932, one hundred and eighty-five thousand dollars.* Of this there is allotted:

(1) To the commissioner of banking an annual salary \* \* \* *to be fixed by the emergency board but not to exceed seven thousand five hundred dollars.*

(2) To the deputy commissioner of banking an annual salary \* \* \* *to be fixed by the emergency board but not to exceed six thousand dollars.*

SECTION 4. Section 220.05 of the statutes is amended to read: 220.05 (1) On or before \* \* \* the fifteenth day of June of each year \* \* \* each bank doing business under this chapter shall be required to pay to the commissioner of banking an annual assessment for the maintenance of the state banking department, as is hereafter provided.

(2) Banks having a capital of twenty-five thousand dollars or less shall be required to pay an annual *license* fee of \* \* \* *thirty-five* dollars; \* \* \* banks having a capital \* \* \* of more than twenty-five thousand dollars \* \* \* but not more than fifty thousand dollars, an annual fee of *seventy-five* dollars; banks having a capital exceeding fifty thousand dollars but not more than one hundred thousand dollars, an annual fee of one hundred dollars; and banks having a capital exceeding one hundred thousand dollars, an annual fee of one hundred fifty dollars. In addition to \* \* \* said annual fees, \* \* \* each bank shall be required to pay an annual assessment as follows:

\* \* \*

*Ten cents per thousand dollars for the first million dollars of resources, or part thereof; eight cents per thousand for the second and third million or part thereof; six cents per thousand for the fourth and fifth million or part thereof; and five cents per thousand for all resources over five million dollars.*

(3) On or before January 15, 1932, each bank shall pay to the commissioner of banking an assessment equal to the difference between one-half of the annual fee computed on the basis prescribed in subsection (2) of this section as amended and the annual fee computed on the basis in force prior to the taking effect of these amendments. Such assessment shall be additional to the annual assessment which was payable on or before June 15, 1931, and shall not operate to relieve any bank from any part of the assessment payable on or before June 15, 1932.

(4) In the event the \* \* \* annual fees and assessments \* \* \* shall not equal the sum of one hundred and sixty thousand dollars, the commissioner of banking may increase the assessment in an amount not exceeding ten per centum of the fixed annual assessment for each bank.

(5) Whenever, in the judgment of the commissioner of banking, the condition or conduct of any bank renders it necessary or expedient to make an extra examination or to devote any extraordinary attention to its affairs, the commissioner of banking shall have the authority to make any and all necessary extra examinations and audits or partial audits and to devote any necessary attention to the conduct of its affairs; and such bank shall pay for each additional examination beyond two in one year, and for each audit or partial audit, the actual cost \* \* \* thereof. In com-

puting the \* \* \* cost of examinations, \* \* \* fifteen dollars \* \* \* a day shall be charged for the time of one examiner and \* \* \* ten dollars \* \* \* a day for each additional examiner. *Where an audit or partial audit is ordered, the actual reasonable cost of auditors shall be charged. Before directing any examination in excess of two or any audit or partial audit, the commissioner of banking shall examine the audits and examinations of any clearing house association as to the bank in question which may be furnished to him and shall avoid duplication of examinations, audits or partial audits wherever reasonably possible.* Whenever the commissioner of banking shall make a special examination of any bank at the request of the directors or stockholders, the expense thereof shall be paid by the bank. *In case of examination, not in excess of two in any one year, for which no charge is made, the bank shall promptly be furnished with a copy of each such examination without expense to the bank. In case of examination or audits or partial audits for which a charge may be made under the provisions of this section, the commissioner shall promptly send a copy to the bank and the bank shall pay the reasonable cost thereof. When the commissioner delivers to a bank a copy of any examination, audit or partial audit he may by letter accompanying same require the bank to have the receipt of same acknowledged in the record of the next meeting of directors of the bank and may require that there be sent to him a certified copy of action by the directors showing that all the directors of the bank have read said copy and are familiar with its contents and have signed a statement to such effect on the copy received by the bank and may require that a duplicate of such signed statement signed by all directors be sent to the commissioner of banking to be attached to and filed with the original of such examination, audit or partial audit on file in the department. Failure of the bank or its board of directors or any of them to comply with any such order or direction of the commissioner within a reasonable time fixed by him shall be sufficient ground for the taking of possession of said bank by the commissioner and liquidating said bank under the provisions of section 220.08 of the statutes.*

(6) *After January 15, 1932, any bank or trust company holding any property in trust or in any fiduciary capacity shall pay in addition to said fees assessments provided for in subsections*

(2), (3) and (4) of this section the actual reasonable cost of any and all examinations (whether or not they are in excess of two in any one year) conducted by the banking department of the books, records and business of said bank or trust company in so far as they relate to said property held in trust or other fiduciary capacity, said cost to include a fair charge for time of assistants and office overhead and to be determined by the commissioner of banking within a reasonable time after each said examination has been completed. A statement of such charge shall be promptly sent to said bank or trust company. Each such bank or trust company shall pay such charge within ten days after receipt of such statement. Said cost shall include the cost of furnishing copy to the bank or trust company. The examinations by the department or parts thereof for which no charge is made are limited to examinations of the books, records, assets and affairs of the bank exclusive of such examinations or parts thereof which relate to property held in trust or other fiduciary capacity by the bank or trust company or to any liabilities which may have arisen out of such trusteeship or other fiduciary capacity. If an examination or part thereof is charged and fully paid for under the provisions of subsection (4) of this section such examination or part thereof shall not be again charged for under provisions of this subsection.

SECTION 5. Section 220.06 of the statutes is amended to read: 220.06 (1) No commissioner of banking, deputy, *assistant deputy* or examiner shall examine a bank in which he is interested as a stockholder, officer, employe or otherwise. No commissioner of banking, deputy, *assistant deputy*, or examiner shall examine a bank located in the same village, city or county with any bank in which he is interested as stockholder, officer, employe, or otherwise. The commissioner of banking, his deputy, *assistant deputies* and every clerk in this department, and each member of the *banking review board* and every employe thereof, shall be bound by oath to keep secret all of the facts and information obtained in the course of such examinations, except so far as the public duty of such officer requires him to report upon or take special action regarding the affairs of any bank, and except when called as a witness in any criminal proceeding or trial in a court of justice; and except that such commissioner, deputy, *assistant deputy* or examiner, or other person referred to herein, may in his discretion



and under such rules and regulations as prescribed by such commissioner compare notes as to names of borrowers, lines of credit, and other matters affecting a bank, with a national bank examiner, a clearing house examiner, or an examiner for an insurance company duly licensed in the state of Wisconsin to insure or guarantee depositors or deposits in banks or trust companies, and having such insurance in force.

(2) If any commissioner of banking, deputy, *assistant deputy*, examiner or clerk in such department *or any member of the banking review board or any employe thereof* shall disclose the name of any debtor of any bank, or anything relative to the private accounts or transactions of such bank, or shall disclose any fact obtained in the course of \* \* \* *any examination of any bank*, except as herein provided, he shall be subject, upon conviction thereof, to forfeiture of his office, *or position* and to the payment of a fine of not less than one hundred dollars nor more than one thousand dollars, or imprisonment in the state prison not less than six months nor more than two years, or to both such fine and imprisonment.

SECTION 6. Section 220.07 of the statutes is renumbered to be subsection (1) of said section.

SECTION 7. One new subsection is added to section 220.07 to read: (220.07) (2) In any case where the commissioner has made an order requiring capital to be made good, the bank may within ten days after the making of said order secure a review of same by the banking review board by filing in the office of the commissioner a statement requesting such review and stating the grounds of objection to the order of the commissioner. Said board shall promptly conduct a hearing thereon after affording reasonable notice to the bank and shall affirm, modify or set aside the order of the commissioner. No such review or hearing shall extend the time for compliance with the order of the commissioner unless the banking review board shall so direct.

(3) In the event that the commissioner finds that any asset of a bank or trust company is carried on its books at a value in excess of its realizable value, the commissioner may require the bank to reduce the value at which said asset is carried to a proper amount representing its realizable value. Realizable value is the actual fair value of the asset which can probably be realized out of it in the ordinary course of business, having in mind the probabilities

as to its being collected in full at or before maturity, the rate of interest, the rating of such asset by reliable institutions or agencies, the present market value of the asset, if there is a market for the same, and the causes and conditions surrounding the market and all other facts and circumstances. If said requirement is not complied with within ten days the bank shall be subject to a penalty of ten dollars a day for each day during which it fails to comply with said order. Any bank aggrieved by any such order may have same reviewed by the banking review board by filing written notice of request for a review with the commissioner of banking within ten days after the making of such order. Such review shall not suspend or delay the enforcement of said order or the penalty unless the banking review board shall so direct.

SECTION 8. Subsections (1) and (9) of section 220.08 of the statutes are amended to read: (220.08) (1) Whenever it shall appear to the commissioner of banking that any bank or banking corporation to which this chapter is applicable has violated its charter or any law of the state, or is conducting its business in an unsafe or unauthorized manner, or if the capital of any such bank or banking corporation is impaired, or if any such bank or banking corporation shall refuse to submit its books, papers, and concerns to the inspection of any examiner, or if any officer thereof shall refuse to be examined upon oath touching the concerns of any such bank or banking corporation, or if any such bank or banking corporation shall suspend payment of its obligations, or if from any examination or report provided for by this chapter the commissioner shall have reason to conclude that such bank or banking corporation is in an unsound or unsafe condition to transact the business for which it is organized, or that it is unsafe and inexpedient for it to continue business, or if any such bank or banking corporation shall neglect or refuse to observe an order of the commissioner, specified in section 220.07 of the statutes, *or if the commissioner shall find that the management of the bank or the manner in which the work of any of its officers or employes is done, if continued, is such as to endanger the safety or solvency of the bank and the commissioner shall have made written recommendations for change in management or officers and employes and such recommendation shall not have been complied with after the expiration of a reasonable time therefor fixed by the commissioner*, the commissioner may \* \* \* take possession of the

property and business of such bank or banking corporation, and retain such possession until such bank or banking corporation shall resume business, or its affairs be finally liquidated as herein provided. *Whenever facts have come to the attention of the commissioner which cause him to believe that it may be necessary or advisable to take possession of a bank, or if he has reasonable cause to believe that any of the grounds for taking possession of a bank, specified in this section, exist, he shall bring the matter to the attention of the banking review board, reporting to them in writing the situation and his own recommendation as to action to be taken. The banking review board shall promptly consider the matter and promptly decide whether or not the commissioner should take possession of the bank. If the review board decides that the commissioner should take possession, he shall forthwith take possession as hereinbefore provided. If at any time the banking commissioner is confronted with an emergency situation where in his opinion it is imperative in order to protect the public or for other reasons that possession of the bank be at once taken, he may do so forthwith without referring the matter to the banking review board.*

(9) Whenever any such bank or banking corporation, of whose property and business the commissioner has taken possession, as aforesaid, deems itself aggrieved thereby, it may, at any time within ten days after such taking possession, apply to the circuit court for the county in which such bank or banking corporation is located to enjoin further proceedings; and said court, after citing the commissioner to show cause why further proceedings should not be enjoined and hearing the allegations and proofs of the parties and determining the facts may, upon the merits dismiss such application or enjoin the commissioner from further proceedings, and direct him to surrender such business and property to such bank or banking corporation. *Said bank or banking corporation may, if it desires so to do, within ten days after taking possession apply to the banking review board to review the action of the commissioner in taking possession. The banking review board shall act speedily on such application. Within ten days after notice of the decision of the banking review board, said bank or banking corporation may apply to said circuit court of the county in which such bank or banking corporation is located to enjoin further proceedings. The proceedings on such application shall*

*be on notice to the commissioner of banking and shall be the same as where the application to the court is made as above provided without application to the review board.*

SECTION 9. Two new subsections are added to section 220.08, two new subsections are added to section 221.25, and a new section is added to the statutes to read: (220.08) (10) If any part or provision of this section or of any subsection thereof shall be invalid, the remaining parts and provisions shall not be affected thereby but shall stand without such part or provision.

(18) Whenever a plan for the reorganization of any bank has been agreed upon within ten days after the commissioner of banking has taken charge of such bank pursuant to law and such plan has been entered into by the depositors and unsecured creditors of such bank, which represent not less than ninety per cent of the amount of deposits and unsecured claims of such bank, the commissioner of banking may forthwith approve such reorganization plan and may waive the requirement of notice as provided in subsection (5); and in such case all other depositors and unsecured creditors shall be held to be subject to such agreement to the same extent and with the same effect as if they had joined in the execution of such plan, and their claims shall be treated in all respects as if they had joined in the execution of such reorganization plan.

(221.25) (3) The commissioner of banking may after consultation with the banking review board make recommendations to any bank or trust company within this state as to advisability of consolidation with other banks and may make recommendations as to terms for consolidation or merger of banks in order to avoid a condition of oversupply of banks in any community or area of the state. The banking commission may also, if requested so to do, act as mediator or arbitrator to fix any of the terms of any such consolidation or merger. It shall be within the power of the board of directors of any bank or trust company organized under the laws of this state to appropriate a reasonable amount from the assets of the bank toward assisting in bringing about a consolidation or merger of banks or to aid in reorganization or in avoiding the closing of a bank where such action is deemed to be in the interest of safe banking and the maintenance of credit and banking facilities in the county in which such bank is located.

(4) If the commissioner of banking shall find that due to the closing of or cessation of business by a bank in this state after

January 1, 1930, any village in this state having a population of less than eight hundred persons has been deprived of necessary banking facilities, the commissioner may permit the operation in said village by another bank of a receiving and disbursing station in said village but any such permit shall be subject to revocation at any time, after reasonable notice and hearing, by the commissioner of banking. Any such permit shall be issued only for a period of not to exceed three years and shall not be renewed unless the commissioner is satisfied that renewal of such certificate (rather than the organization of a new bank or any other method) is reasonably necessary to afford banking facilities in said community. No bank shall be permitted to maintain more than three such stations, nor shall any such station be maintained outside the county in which the bank maintaining same is located. No banking business shall be transacted at any such station other than receiving and paying out deposits, issuing drafts and traveler's checks and cashing checks and drafts. Under like conditions, a like permit may be issued for maintaining such a receiving and disbursing station in an unincorporated village, provided that there is a population of not to exceed eight hundred persons residing within one mile from the location of said station. No such station shall be permitted within three miles of any existing bank which is actually transacting a banking business. If at any time the deposits in the bank maintaining such station, of persons who have used such disbursing station for deposits or withdrawals shall exceed the sum of three hundred thousand dollars, the permit to maintain such station shall be revoked and the station discontinued. All deposits made at any such station shall be deposits in the bank maintaining the same and such bank shall be liable for the payment of same on the same basis as other deposits of said bank. No bank shall be permitted to maintain any such station if more than ten per cent of the outstanding stock of such bank shall be owned or controlled by any corporation or corporations, investment trust or trusts, association or associations, common law trust or trusts, provided that stock, held by an administrator, guardian, executor under a will or by a testamentary trustee shall not be deemed held by a trust within the meaning of this section. If the commissioner of banking shall find that after the closing of any bank in this state, any other bank in the same city is willing to purchase the assets of the closed bank at a price approved by the

commissioner of banking and by the circuit court having jurisdiction over the matter, provided such bank is permitted to operate a bank at two locations in the same city, which are at least one and one-half miles apart, then the commissioner of banking may issue a license to such bank to establish and operate its banking business in any two such locations in the same city, upon the making of such agreement to purchase such assets.

221.205 Whenever the commissioner of banking shall have or receive information causing him to believe that any bank, trust company bank, or any other corporation or association in respect to whose affairs or any part thereof he has any supervision or control under the law, or any officer or employe or member thereof has been guilty of a violation of any of the provisions of law or regulations or orders in execution thereof which subjects any such corporation or association or person to prosecution for a criminal offense or for recovery of penalty under the law, he shall bring such facts and information to the attention of the banking review board with his recommendation in writing as to action to be taken. Said banking review board shall, if in its judgment probable cause exists for believing that a criminal offense has been committed, or a penalty incurred, call the facts and information to the attention of the attorney-general whose duty it shall be to cause prosecution or other action to be instituted if in his judgment the facts warrant. Nothing herein contained shall be deemed to prevent the institution of any prosecution by any district attorney of this state with or without any advice or act on the part of the attorney-general. Nothing herein contained shall preclude the banking commissioner, in any case where he deems it important to act immediately, from causing any arrest and prosecution where he is satisfied that there is reason to believe the offense has been committed and that prosecution should be immediately commenced.

SECTION 10. Subsection (6) of section 221.15 and section 220.14 of the statutes are amended to read: (221.15) (6) At least once each year, *and as often as requested by the commissioner of banking*, every bank shall report to the commissioner of banking on call by him, a list of its stockholders, their residences, and the amount of stock held by each, which report shall be signed and verified by the oath or affirmation of one of the officers of said bank.

220.14 During the month of December of each year, the commissioner of banking shall make an annual report to the governor of the state, which report shall be published and shall exhibit the condition of the various banks of the state as of the day of the last report made to the commissioner of banking by such banks; and such report shall contain a statement of the condition of every bank from which reports have been received, with an abstract of the whole amount of capital returned by them, the whole amount of their liabilities, the total amount of resources, and specifying the amount of lawful money held by banks at the time of their several returns, and shall give a tabulated statement of the resources and liabilities of each bank, and such other information as in his judgment may be required. Such report shall also contain a statement of the banks whose business has been closed during the year, the amount of their resources and liabilities, and the amount paid to the creditors thereof; also a statement of any banks organized during the year; and the names of the directors and officers of each bank. He shall also report the names and compensation of the clerks employed by him, and the whole amount of the expense of the banking department during the year preceding. *Such report shall include a report by the banking review board containing the names and compensation of members and employes during the preceding year and a summary of the acts and services of such board during such year.*

SECTION 11. Subsections (6) to (9) of section 221.01 of the statutes are repealed.

SECTION 12. A new subsection is added to section 221.01 of the statutes to read: (221.01) (6) After completing such investigation the commissioner shall make a written report to the banking review board stating the results of his investigation and his recommendation. The board shall consider the matter, conducting any necessary hearing, and promptly make its decision approving or disapproving the organization of the proposed bank. Such decision shall be final except for review in court. If approval is given, the commissioner shall indorse on each of the original applications the word "Approved" over his official signature. If disapproved, he shall indorse the word "Disapproved" over his official signature. One of the duplicate originals shall be filed in his office and one returned by mail to the applicants.

SECTION 13. Subsection (12) of section 221.01, and sections 221.29, 221.37, 221.42, 221.43 and 224.02 of the statutes are amended to read: (221.01) (12) The aggregate amount of the capital stock of any bank hereafter organized shall not be less than \* \* \* *thirty thousand dollars* in towns, villages or cities having less than \* \* \* *twenty-five hundred* inhabitants; and shall not be less than \* \* \* *fifty thousand dollars* in any city or village having more than \* \* \* *twenty-five hundred* and less than ten thousand inhabitants; and shall not be less than \* \* \* *seventy-five thousand dollars* in any city or village having more than ten thousand *and less than twenty-five thousand* inhabitants; *and shall not be less than one hundred thousand dollars in any city having a population of more than twenty-five thousand and less than two hundred 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.

221.29 (1) The total liabilities of any person, copartnership or corporation, other than a municipal corporation, to any bank, for money borrowed, including liabilities of the copartnership, the liabilities of the several members thereof, except special partners, shall at no time exceed thirty per cent, or in the case of a municipal corporation, fifty per cent, of the amount of capital and surplus of such bank; but the discounting of bills of exchange drawn in good faith against actually existing values, and the discounting of commercial or business paper actually owned by the person negotiating the same, shall not be considered as money borrowed *within the meaning of this subsection. On and after January 15, 1932, no bank shall make any new loan where the effect thereof would be to make the total liabilities of any person, copartnership or corporation referred to in this subsection, other than liabilities of a municipal corporation, to the bank greater than twenty per cent of the amount of the capital and surplus of such bank. The renewal of an existing loan without increasing the amount thereof shall not be considered a new loan and a renewal with an increase shall be considered a new loan to the extent of the increase.*

(2) *No bank having a combined capital and surplus of more than twenty-five thousand dollars shall make or renew any loan of five hundred dollars or more without securing a sworn financial statement unless the loan is secured by collateral having a value in*



*excess of the amount of the loan. No bank having a combined capital and surplus of twenty-five thousand dollars or less shall make or renew any loan of more than two per cent of its combined capital and surplus without securing a sworn financial statement unless such loan is secured by collateral having a value in excess of the amount of the loan.*

221.37 The board of directors of a bank may declare a dividend from so much of its net profits, after providing for all expenses, losses, interest and taxes accrued or due from said bank, as they shall deem expedient; but before any such dividend is declared not less than one- \* \* \* *fifth* of the net profits of the bank for the preceding half year, or for such period as is covered by the dividend, shall be carried to a surplus fund, until such surplus fund shall amount to \* \* \* *one hundred* per cent of the capital stock. Any losses sustained by any bank in excess of its undivided profits may be charged to its surplus account, provided, that its surplus fund shall thereafter be reimbursed from its earnings, and no dividends shall be declared or paid by any such bank in excess of one-half of its net earnings until its surplus fund shall be fully restored to the amount required by law.

221.42 The stockholders of every bank shall be individually liable, equally and ratably, not one for another, for the benefit of creditors of said bank to the amount of their stock at the par value thereof, in addition to the amount invested in said stock. Such liability shall continue for six months after *written notice to the commissioner of banking* of any transfer of stock, as to the affairs of the bank at the time and prior to the date of the transfer. But persons holding stock as executors, administrators, guardians or trustees, and persons holding stock as collateral security, shall not be personally liable as stockholders, but the assets or funds in their hands constituting the trust shall be liable to the same extent as the testator, intestate, ward or person interested in such trust fund would be, if living, or competent to act, and the person pledging such stock shall be deemed the stockholder and liable under this section. Such liability shall accrue and become due and payable as to the stockholders of any bank forthwith, upon the commissioner of banking taking possession of the property and business of such bank under the provisions of the statutes, and may be enforced by him, in an action brought in his name, in the circuit court of the county in which such bank is lo-

cated. In the event of the liquidation of such bank, the stockholders who shall have discharged such additional liability shall, after the payment of expenses and the claims of creditors, be entitled to reimbursement on account thereof out of any remaining property of such bank before the same is distributed among its stockholders.

221.43 The shares of stock of an incorporated bank shall be deemed personal property, and shall be transferred on the books of the bank in such manner as the by-laws thereof may direct, and no transfer of stock shall be valid while the bank is under notice to make good the impairment of its capital, as provided in section 220.07, nor until such impairment shall have been made good. All transfers of stock shall be certified *by the bank cashier* to the commissioner of banking \* \* \* *within three days after such transfer. Failure to comply with this requirement shall be punishable by a fine of not to exceed one hundred dollars.*

224.02 The soliciting, receiving, or accepting of money or its equivalent on deposit as a regular business by any person, copartnership, association, or corporation, shall be deemed to be doing a banking business, whether such deposit is made subject to check or is evidenced by a certificate of deposit, a pass book, a note, a receipt, or other writing, provided that nothing herein shall apply to or include money left with an agent, pending investment in real estate or securities for or on account of his principal. *Provided, however, that if money so left with an agent for investment shall not be kept in a separate trust fund or if the agent receiving such money shall mingle same with his own property, whether with or without the consent of the principal, or shall make an agreement to pay any certain rate of interest thereon or any agreement to pay interest thereon other than an agreement to account for the actual income which may be derived from such money while held pending investment, the person receiving such money shall be deemed to be in the banking business.*

SECTION 14. A new section is added to the statutes to read:  
224.06 (1) Every person appointed or elected to or employed in any position the duties of which include the receipt, payment or custody of money or other personal property for or in behalf of any bank shall, within thirty days after such appointment, election or employment, give an adequate fidelity bond executed by a surety company licensed to do business in Wisconsin (or a per-

sonal bond with sufficient sureties) for the honest performance of his duties and conditioned so as to indemnify the bank from loss, up to the limits of the bond, caused by his embezzlement or any dishonest or fraudulent act on his part while employed by the bank. Such bond shall be in a form approved by the commissioner of banking, and in such amount as the directors of the bank shall require and approve. In lieu of individual bonds the commissioner may accept a schedule or blanket bond which covers all of the officers and employes of any bank whose duties include the receipt, payment or custody of money or other personal property for or on behalf of the bank. All bonds required by this section shall be filed with the commissioner of banking within forty days after such appointment, election or employment. Receipts for the annual premium on such surety bonds, after the first year, shall be filed with the commissioner of banking within ten days after the renewal date. A record of each bond executed, received and approved shall be entered in the minute book of the bank.

(2) If such bond shall not be furnished and filed within the time prescribed in subsection (1) of this section, the officer or employe in question shall immediately be dismissed from the service of the bank unless the commissioner of banking shall extend the time on application of the bank. If the time is extended, then such officer or employe must be dismissed if the bond is not furnished and filed within the time as extended. If after such time prescribed for the furnishing and filing of such bond, the bank permits such officer or employe to continue in such position or employment, the bank shall be subject to a penalty of ten dollars a day for each day during which it has unlawfully permitted said officer or employe to continue in such position and it shall be the duty of the attorney-general to recover any such penalties by action for and in behalf of the state.

SECTION 15. This act shall take effect on passage and publication.

Approved January 18, 1932.