

SECTION 8. 100.01 (2) (d), as amended by chapter 375 (347-S), laws of 1943, is repealed.

SECTION 9. 100.03 (7), as repealed and recreated by chapter 375 (347-S), laws of 1943, is repealed.

SECTION 10. 100.04 (2), as amended by chapter 375 (347-S), laws of 1943, is repealed.

SECTION 11. 100.13 (3), as revised by chapter 229, laws of 1943, is reenacted; and 100.13 (6), as revised by said chapter 229, is repealed.

SECTION 12. 100.205 (1) (c), as repealed and recreated by chapter 375 (347-S), laws of 1943, is repealed.

SECTION 13. 114.26, as repealed and recreated by chapter 375 (347-S), laws of 1943, is repealed.

SECTION 14. 218.01 (3) (f), as amended by chapter 375 (347-S), laws of 1943, is amended by substituting "licensor" for "commission," and 218.01 (3) (g), as amended by chapter 219, laws of 1943, is repealed.

Approved July 12, 1943.

No. 466, A.]

[Published July 14, 1943.]

### CHAPTER 516.

AN ACT to repeal 215.07 (12), 215.115, 215.134, and 215.51; and to amend 215.07 (1) and (6), 215.08 (2), 215.09, 215.11, 215.114 (1), 215.13, 215.15, 215.26 (1) and (2), 215.272, 215.331 (1), 215.50 (10) and 215.52 (1) (b) of the statutes, relating to building and loan associations.

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

SECTION 1. 215.07 (1) and (6) of the statutes are amended to read:

215.07 (1) To issue \* \* \* *shares* to members; to assess and collect from members fees, dues, fines, interest, premiums and other charges and the same shall not be held to be usurious; to permit or force members to withdraw all or part of their \* \* \* *shares*; to make loans to members; all upon such terms and conditions as may be provided in the by-laws.

(6) To invest, with the advice and approval of the commission, in *shares or evidences of indebtedness* of other local building and loan associations, in bonds or evidences of indebtedness of the United States government, or assign as collateral security its mortgages and bonds or notes. But no association, having notices of withdrawal unpaid, shall be permitted to hold government, or government guaranteed securities, which together with its cash on hand exceed 2 per cent of its \* \* \* *share liability*. Nothing herein contained shall prohibit any association from setting up reserves in cash or bonds, or both, for taxes, insurance, repairs on real estate, and such other reserves as the banking commission may order.

SECTION 2. 215.07 (12) of the statutes is repealed.

SECTION 3. 215.08 (2) of the statutes is amended to read:

215.08 (2) The capital stock may be made issuable at any time as the directors may determine and shall be divided into 2 or more classes: (a) paid-up or investment shares, (b) instalment or saving shares, which savings shares may be divided into classes as prescribed by the by-laws. Shares paid for in full at the time of issue shall be designated as paid-up or investment shares and shall be issued only in amounts of \$100 or multiples thereof; and shares paid for on a partial payment plan shall be designated as instalment or savings shares. *The board of directors may designate one or more persons to sign certificates of such association.* Associations may provide for instalment shares with the matured value of \$100 per share. All share accounts shall be represented by share account books, containing a certificate of membership and evidencing the participation value of the share account, except that paid-up or investment share accounts or savings share accounts may be represented by separate certificates. Payments made upon instalment shares shall be called dues or share payments.

SECTION 4. 215.09 of the statutes is amended to read:

215.09 Whenever any shares are withdrawn, forfeited, retired, repurchased, redeemed or surrendered the certificate or certificates and share account books therefor shall be surrendered and cancelled. In case of partial withdrawal, repurchase or redemption of shares the certificate representing the same shall be cancelled and a new certificate issued for the amount of shares remaining in force, or the withdrawal may be indorsed on the

certificate; or if such shares are \* \* \* evidenced by share account books, the amount of such withdrawal, repurchase, redemption or share loans, if any, shall \* \* \* be immediately entered therein. Payments of dues or interest may be made in advance, but no discount shall be allowed therefor and no dividends shall be credited for payments exceeding in amount the regular payments for one year.

SECTION 5. 215.11 of the statutes is amended to read:

215.11 The association shall have the right to repurchase its share accounts at any time upon application therefor and to pay to the holders thereof the repurchase value thereof. Holders of share accounts shall have the right to file with the association their written application to repurchase their share accounts, in part or in full, at any time. Upon the filing of such written applications to repurchase, the association shall number and file the same in the order received and shall either pay the holder the repurchase value of the share account, in part or in full as requested, or, after 30 days from the receipt of such application to repurchase, apply at least one-third of the receipts of the association from holders of share accounts and borrowers to the repurchase of such share accounts in numerical order: provided, that if any holder of a share account applies for the repurchase of more than \$1,000 of his share account or accounts, he shall be paid \$1,000 in order when reached, and his application shall be charged with such amount as paid and shall be renumbered and placed at the end of the list of applications to repurchase; and thereafter, upon again being reached, shall be paid a like amount, but not exceeding the value of his account, and until paid in full shall continue to be so paid, renumbered, and replaced at the end of the list. When an application to repurchase is reached for payment as above provided, a written notice shall be sent to the applicant by registered mail at his last address recorded on the books of the association, and, unless the applicant shall apply in person or in writing for such repurchase payment within 30 days from the date of mailing such notice, no payment on account of such application shall be made and such application shall be cancelled. The board of directors shall have the absolute right to repurchase not exceeding \$100 of any one share account or accounts of any one holder in any one month in any order regardless of whether or not such holder has filed an application for repurchase. Holders of share accounts filing written appli-

cations for repurchase shall remain holders of share accounts until paid and shall not become creditors. \* \* \* The repurchase value of share accounts of the association shall be the participation value thereof.

SECTION 6. 215.114 (1) of the statutes is amended to read:

215.114 (1) Whenever unpledged shares of stock have been noticed for withdrawal \* \* \* *subject to the provisions of section 215.11, said shares, \* \* \* shall be* without right to dividends, interest or profits from the time of giving notice of withdrawal \* \* \*, *except* in the manner and in amounts as follows: for the first dividend paying period after the filing of the notice of withdrawal, said shares shall not be entitled to any dividends; for the second dividend paying period after the filing of the notice of withdrawal, such shares shall be entitled to one-half the rate of dividends declared on \* \* \* *shares* of the same class not on notice; for the third dividend paying period after the filing of the notice of withdrawal and thereafter such shares shall be entitled to the same rate of dividends declared on \* \* \* *shares* of the same class not on notice.

SECTION 7. 215.115 of the statutes is repealed.

SECTION 8. 215.13 of the statutes is amended to read:

215.13 When, by making regular weekly or monthly payments as provided for in section 215.08, any \* \* \* *shares* shall have reached \* \* \* *their* matured value payment of dues thereon may at the option of the member cease. The holders of unpledged shares may continue to make payments upon such shares or may request the repurchase of such shares by the association *subject to the provisions of section 215.11.* \* \* \*

SECTION 9. 215.134 of the statutes is repealed.

SECTION 10. 215.15 of the statutes is amended to read:

215.15 For every loan made a non-negotiable note or bond secured by mortgage upon real estate situated in the state of Wisconsin, in the county where such association is located, or within a radius of not to exceed 50 miles from the office of such association, as the by-laws of each association shall provide, unincumbered except by prior loans of such association, shall be given, accompanied by a pledge to the association of the shares borrowed upon. Such pledge of stock shall be evidenced by the assignment to the association and surrender of the stock certificate or certificates representing the stock pledged. Provided, that any

association heretofore organized may make loans upon real estate situated outside of the county where such association is located if authorized thereto by its articles or by-laws. Associations may also make mortgage loans to members which shall provide that the dues (principal) paid shall be deducted from the principal amount due on the loan and the interest charged upon such loan shall be adjusted at least every 6 months on the unpaid balance of the loan on such adjustment date. The monthly payment of dues (principal) and interest shall be of such an amount so that such payments of dues (principal) will retire the loan within 20 years. The mortgage, bond, note or contract may provide that the interest rate may be increased after 3 years from the date of such mortgage, bond, note or contract, by giving to the borrower at least 4 months' notice of such intention. The borrower may after the receipt of such notice repay his loan within the time specified in such notice without the payment of any fine or penalty; provided further that any association may lend to members without the requirement of amortization of principal not exceeding 50 per cent of the appraised value of the security of a first lien on real estate as provided herein such loans to be repayable in not more than 5 years with or without amortization of principal with interest payable at least semiannually, but not more than 15 per cent of the share liability of the association may be invested in such loans. Such mortgages shall have priority over all liens except tax and special assessment liens, upon the mortgage premises and the buildings and improvements thereon which shall be filed subsequent to the recording of such mortgage. The borrower shall cause the buildings and improvements on any property on which an association has a mortgage to be insured for the benefit of the association against loss by fire, lightning, tornado and windstorm, *or such other hazard insurance as the association may require*, in some company or companies to be selected or approved by the board of directors of the association in an amount which they shall designate, and shall keep the buildings so insured during the continuance of the mortgage. The insurance policy or policies shall remain on deposit with the association until the loan is paid. The directors in their discretion may dispense with said mortgage when the withdrawal value of the shares borrowed upon shall exceed the amount borrowed and interest thereon for 6 months. \* \* \* It shall be unlawful for any association, the assets of which do not exceed \$50,000, to

make loans exceeding in the aggregate \$5,000 to one borrower; if its assets exceed \$50,000 but do not exceed \$100,000, it shall be unlawful for it to make loans exceeding in the aggregate \$7,500 to one borrower; if its assets exceed \$100,000 but do not exceed \$200,000, it shall be unlawful for it to make loans exceeding in the aggregate \$10,000 to one borrower; if its assets exceed \$200,000 but do not exceed \$500,000, it shall be unlawful for it to make loans exceeding in the aggregate \$20,000 to one borrower; if its assets exceed \$500,000, it shall be unlawful for it to make loans exceeding in the aggregate \$25,000 to one borrower. It shall be unlawful for any association to make any loan on vacant lands or vacant lots unless such lots are included with other improved real estate or on property used for manufacturing purposes, or upon any theater, public hall, church, school building, hotel or public garage. No association shall make any loans to an officer, director or employe except loans on the sole security of share accounts owned by such officer, director or employe and except loans on the security of a first lien upon the home, or the combination of home and business property, owned and occupied by such officer, director or employe.

SECTION 11. 215.26 (1) and (2) of the statutes are amended to read:

215.26 (1) The articles of association or by-laws of each local association must specify: The manner in which persons may become and cease to be members; the number of shares a member may own; the terms on which certificates for shares are to be issued, the form thereof and the fees therefor; the manner and condition of transfer of shares and fees therefor; the manner of renewing lost or destroyed certificates and fees (whether membership or withdrawal) therefor; the time and manner of paying and the amount of dues, fees, interest, premiums and other charges; the fines for nonpayment of any sum due or for other defaults or violation of rules; whether dividends shall be allowed \* \* \* *on* dues paid in advance; how shares in default may be forfeited and disposed of; how shares may be withdrawn, the fees to be charged therefor and the proportion of the profits payable on such withdrawal; the regulations as to retiring shares and the amount to be paid holders thereof; the proportion of the profits to be paid the legal representatives of deceased members; the terms and conditions upon which loans may be obtained, paid

and cancelled; provisions for the custody and handling of securities and the banking and checking of funds; when and how meetings shall be called and held and what shall constitute a quorum; whether voting by proxy be permitted; the election and removal of officers and directors, the filling of vacancies, giving directors power to appoint and remove by resolution the members of an executive committee, the members of which shall be directors, which committee shall have and exercise the powers of the board of directors between the meetings of the board of directors; defining their duties and determining when and by whom their remuneration shall be fixed, but if the remuneration is fixed by the directors, it shall be fixed by majority vote; and provide such other rules and regulations, not inconsistent with law of the Articles of incorporation, as the business of the association may require. The by-laws shall also prescribe that every director shall take and subscribe an oath that he will diligently and honestly perform his duty in such office and will not knowingly violate or permit a violation of any provision of this chapter. The by-laws may further provide for a bonus on instalment savings shares to be paid to shareholders for consistent and regular payments, not in excess of one per cent per annum.

(2) Each association shall have its by-laws prepared in convenient form and *upon request* shall furnish a copy to every person who shall become a member of such association. It shall also inform annually, each member of any changes in such by-laws as may have been effected during the preceding year.

SECTION 12. 215.272 of the statutes is amended to read:

215.272 Every officer, director, employe or agent of any association who shall for himself, directly or indirectly, take, accept or receive, or offer or agree to take, accept or receive any fee, compensation or thing of value whatever from any person in consideration of the association of which he is such officer, director, employe or agent, loaning any money to such person; or any person who shall for himself or for another directly or indirectly offer, give, present or agree to give or present any fee, compensation, or thing of value to any officer, director, employe or agent of any association in consideration of the association loaning any money to him, shall be punished by fine not exceeding \$1,000 or by imprisonment in the county jail not exceeding 6 months, or by both such fine and imprisonment, provided that

nothing \* \* \* contained *in this chapter* shall be construed as prohibiting any association from paying to its officers, directors or employes commissions on loans, or on the sale of shares or share accounts.

SECTION 13. 215.331 (1) of the statutes is amended to read:

215.331 (1) Any association organized or doing business under the provisions of this chapter may go into liquidation or may dissolve by a two-thirds vote of \* \* \* *the dollar value of the outstanding shares at a shareholders' meeting held especially for that purpose, after notice to each shareholder of not less than 30 days.* \* \* \* Whenever an association has so voted to go into liquidation or to dissolve, it shall be the duty of the board of directors to cause notice of this fact to be certified, under the seal of the association by its president and secretary, to the banking commission, and to cause notice thereof to be published once each week for three successive weeks in a newspaper published in the village, city or county in which the association is located, and if no newspaper is there published, then in a newspaper published at the nearest county seat, calling on all persons who may have claims against such association to present them to the association and make legal proof thereof at a place and within a time, not earlier than the last date of publication, to be therein specified, and to mail a similar notice to all persons whose names appear as creditors on its books.

SECTION 14. 215.50 (10) of the statutes is amended to read:

215.50 (10) All of the directors of the building and loan finance corporation must reside in the state of Wisconsin during their term of office, and all must be citizens of the United States. No person shall be elected a director unless he is a shareholder of a member association and has been nominated by it for that office; and every person elected to be a director who, after such election, shall cease to be a shareholder of a member association, shall cease to be a director of the building and loan finance corporation, and his office shall be vacant. Directors who have the custody or possession of money, securities or property shall give bond to the building and loan finance corporation in an amount commensurate with their liabilities \* \* \* *as approved by the banking commission.*

SECTION 15. 215.51 of the statutes is repealed.

SECTION 16. 215.52 (1) (b) of the statutes is amended to read:

215.52 (1) (b) At such meeting, the shareholders may by the



affirmative vote in person or by proxy of 66-2/3 per cent of the *dollar value* of outstanding shares of the association declare by resolution the determination to convert such association into a federal savings and loan association or into a local building and loan association. A copy of the minutes of such meeting, verified by the affidavit of the chairman and the secretary of the meeting, shall be filed in the office of the banking commission within 10 days after the date of such meeting. Such sworn copy of the minutes of such meeting when so filed shall be presumptive evidence of the holding of and of the action taken at such meeting.

Approved July 12, 1943.

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[Published July 14, 1943.

#### CHAPTER 517.

AN ACT to amend 197.04 (1) of the statutes, relating to discontinuance of condemnation.

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

197.04 (1) of the statutes is amended to read:

197.04 (1) Any municipality having determined to acquire an existing plant or any part of the equipment of a public utility may discontinue all proceedings to that end at any time within 90 days after the final determination of compensation by the commission, *by a vote of the electors as herein provided, or by a resolution to that effect by its municipal council, provided that such resolution shall not be of force and effect until 90 days after its passage and publication. If within either of said 90 day*  
 \* \* \* *periods* a petition shall be filed with the clerk of such municipality, in a city of the first class signed by 5 per cent and in all other municipalities by 10 per cent of the electors thereof, requesting that the question of discontinuing said proceeding to acquire such plant or equipment be submitted to the electors, such question shall be submitted to the said electors at any general or regular municipal election that may be held not less than 30, and not more than 35, days from the date of the filing of the petition; and if no general election or regular municipal election is to be held within the stated periods, then the governing body of the municipality shall order the holding of a special election