

1975 Senate Bill 12

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## CHAPTER 284, Laws of 1975

AN ACT to amend 221.27 of the statutes, relating to cash reserves of state banks and trust company banks.

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

221.27 of the statutes is amended to read:

**221.27 Cash reserve.** Every bank shall keep on hand at least 12% of its total deposits, of which such portion as the board of directors determines, may be on deposit in banks approved by the commissioner of banking as reserve banks; except in the cases of banks which are approved by the commissioner as reserve banks, which banks shall at all times keep on hand at least 20% of their total deposits in lawful money or on deposit in banks subject to the approval of the commissioner, as reserve banks. Cash items shall not be considered as a part of the reserve of any bank. United States government securities and cash surrender values of life insurance policies in insurance companies licensed to do business in this state owned by any such bank and in which such bank is the sole beneficiary to an amount not exceeding one-third of the reserve required for demand deposits, and to an amount not exceeding seven-twelfths of the

reserve required for time and savings deposits, may be considered as a part of such required reserve if such United States government securities have a maturity of 18 months or less; but any bank or trust company incorporated under the laws of this state which is or hereafter may become a member of the federal reserve bank system of the United States shall be required to carry during the period of such membership only such cash reserve funds as may be required to be maintained by national bank members of the federal reserve bank system. In determining its reserve requirement a bank may average its deposits over 2-week periods from Thursday to the 2nd following Wednesday or in such manner as is approved by the commissioner.

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