

2001 - 2002 LEGISLATURE
January 2002 Special Session

LRBb2798/2 3
RJM/RNK/WWA/kg:dg

EmJR

SCC:.....Engel – CN8502, SA (various changes regarding consumer financial services) to SSA 1 (JFC sub) to AB-1 (budget adjustment bill)

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS SENATE AMENDMENT ,
TO SENATE SUBSTITUTE AMENDMENT 1,
TO ASSEMBLY BILL 1

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 154, line 4: after that line insert:

3 “SECTION 259p. 93.01 (1m) of the statutes is amended to read:

4 93.01 (1m) “Business” includes any business, except that of banks, savings
5 banks, credit unions, savings and loan associations, and insurance companies.

6 “Business” includes public utilities and telecommunications carriers to the extent
7 that their activities, beyond registration, notice, and reporting activities, are not
8 regulated by the public service commission and includes public utility and
9 telecommunications carrier methods of competition or trade and advertising

1 practices that are exempt from regulation by the public service commission under s.
2 196.195, 196.196, 196.202, 196.203, 196.219, or 196.499 or by other action of the
3 commission.”.

4 **2.** Page 167, line 16: after that line insert:

5 “SECTION 303g. 134.74 of the statutes is created to read:

6 **134.74 Nondisclosure of information on receipts.** (1) In this section:

7 (a) “Credit card” has the meaning given in s. 421.301 (15).

8 (b) “Debit card” means a plastic card or similar device that may be used to
9 purchase goods or services by providing the purchaser with direct access to the
10 purchaser’s account at a depository institution.

11 (c) “Depository institution” means a bank, savings bank, savings and loan
12 association, or credit union.

13 (2) Beginning on the first day of the 37th month beginning after the effective
14 date of this subsection [revisor inserts date], no person who is in the business of
15 selling goods at retail or selling services and who accepts a credit card or a debit card
16 for the purchase of goods or services may issue a credit card or debit card receipt, for
17 that purchase, on which is printed more than 5 digits of the credit card or debit card
18 number.

19 (3) This section does not apply to any person who issues a credit card or debit
20 card receipt that is handwritten or that is manually prepared by making an imprint
21 of the credit card or debit card.”.

22 **3.** Page 177, line 14: after that line insert:

23 “SECTION 346cd. 186.01 (2) of the statutes is amended to read:

1 186.01 (2) “Credit union” means, except as specifically provided under ss.
2 186.41 (1) and 186.45 (1), a cooperative, nonprofit corporation, incorporated under
3 this chapter to encourage thrift among its members, create a source of credit at a fair
4 and reasonable cost, and provide an opportunity for its members to improve their
5 economic and social conditions.

6 **SECTION 346cf.** 186.02 (2) (a) 1. of the statutes is amended to read:

7 186.02 (2) (a) 1. ~~The conditions of residence or occupation which qualify persons~~
8 that determine eligibility for membership.

9 **SECTION 346ch.** 186.02 (2) (b) 2. of the statutes is amended to read:

10 186.02 (2) (b) 2. ~~Residents~~ Except as otherwise provided in this subdivision,
11 individuals who reside or are employed within a well-defined neighborhood,
12 community or rural district and contiguous neighborhoods and communities. If the
13 office of credit unions, subsequent to a credit union merger, determines that it would
14 be inappropriate under the circumstances to require members of the credit union
15 that results from the merger to reside or be employed in contiguous neighborhoods
16 and communities, the requirement that these neighborhoods and communities be
17 contiguous does not apply.

18 **SECTION 346cj.** 186.02 (2) (b) 2m. of the statutes is created to read:

19 186.02 (2) (b) 2m. Individuals who reside or are employed within well-defined
20 and contiguous rural districts or multicounty regions.

21 **SECTION 346cL.** 186.02 (2) (c) of the statutes is amended to read:

22 186.02 (2) (c) Members of the immediate family of all qualified persons are
23 eligible for membership. ~~In this paragraph, “members of the immediate family”~~
24 ~~include the wife, husband, parents, stepchildren and children of a member whether~~

1 ~~living together in the same household or not and any other relatives of the member~~
2 ~~or spouse of a member living together in the same household as the member.~~

3 **SECTION 346cn.** 186.02 (2) (d) of the statutes is renumbered 186.02 (2) (d) 1.
4 and amended to read:

5 186.02 (2) (d) 1. ~~Organizations and associations~~ An organization or association
6 of individuals, the majority of ~~whom~~ the directors, owners, or members of which are
7 eligible for membership, may be admitted to membership in the same manner and
8 under the same conditions as individuals.

9 **SECTION 346cp.** 186.02 (2) (d) 2. of the statutes is created to read:

10 186.02 (2) (d) 2. An organization or association that has its principal business
11 location within any geographic limits of the credit union's field of membership may
12 be admitted to membership.

13 **SECTION 346cr.** 186.11 (4) (title) of the statutes is amended to read:

14 186.11 (4) (title) INVESTMENT IN CREDIT UNION SERVICE CORPORATIONS
15 ORGANIZATIONS.

16 **SECTION 346ct.** 186.11 (4) (a) of the statutes is renumbered 186.11 (4) (a)
17 (intro.) and amended to read:

18 186.11 (4) (a) (intro.) ~~A-~~ Unless the office of credit unions approves a higher
19 percentage, a credit union may invest not more than 1.5% of its total assets in the
20 capital shares or obligations of a credit union service corporation organizations that
21 satisfy all of the following:

22 2. Are organized primarily to provide goods and services to credit unions, credit
23 union organizations, and credit union members.

24 **SECTION 346cv.** 186.11 (4) (a) 1. of the statutes is created to read:

1 186.11 (4) (a) 1. Are corporations, limited partnerships, limited liability
2 companies, or other entities that are permitted under the laws of this state and that
3 are approved by the office of credit unions.

4 **SECTION 346cx.** 186.11 (4) (b) (intro.) and 1. of the statutes are amended to
5 read:

6 186.11 (4) (b) (intro.) A credit union service corporation organization under par.
7 (a) may provide goods and services including any of the following:

8 1. Credit union operations services, including service centers, credit and debit
9 card services, automated teller and remote terminal services, electronic transaction
10 services, accounting systems, data processing, management training and support,
11 payment item processing, record retention and storage, locator services, research,
12 debt collection, credit analysis and loan servicing, coin and currency services, and
13 marketing and advertising services.

14 **SECTION 346dd.** 186.11 (4) (c) of the statutes is amended to read:

15 186.11 (4) (c) A credit union service corporation organization may be subject
16 to audit by the office of credit unions.

17 **SECTION 346df.** 186.113 (1) of the statutes is amended to read:

18 186.113 (1) BRANCH OFFICES. ~~If the need and necessity exist and with~~ With the
19 approval of the office of credit unions, establish branch offices inside ~~this state or no~~
20 ~~more than 25 miles~~ or outside of this state. Permanent records may be maintained
21 at branch offices established under this subsection. In this subsection, the term
22 “branch office” does not include a remote terminal, a limited services office, or a
23 service center.

24 **SECTION 346dh.** 186.113 (1m) (a) (intro.) of the statutes is amended to read:

1 186.113 (1m) (a) (intro.) ~~Establish~~ Before the effective date of this paragraph
2 [revisor inserts date], establish limited services offices outside this state to serve
3 any member of the credit union if all of the following requirements are met:

4 **SECTION 346dj.** 186.113 (6) (b) and (c) of the statutes are amended to read:

5 186.113 (6) (b) Act as trustees or custodians of member tax deferred retirement
6 funds, individual retirement accounts, medical savings accounts, or other employee
7 benefit accounts or funds permitted by federal law to be deposited in a credit union.

8 (c) Act as a depository for ~~member-deferred~~ member qualified and
9 nonqualified deferred compensation funds as permitted by federal law.

10 **SECTION 346dL.** 186.113 (24) of the statutes is created to read:

11 186.113 (24) FUNERAL TRUSTS. Accept deposits made by members for the
12 purpose of funding burial agreements by trusts created pursuant to s. 445.125.

13 **SECTION 346dn.** 186.20 of the statutes is created to read:

14 **186.20 Financial privacy.** A credit union shall comply with any applicable
15 requirements under 15 USC 6801 to 6803 and any applicable regulations prescribed
16 by the national board under 15 USC 6804.

17 **SECTION 346dp.** 186.235 (7) (a) (intro.) of the statutes is amended to read:

18 186.235 (7) (a) (intro.) Employees of the office of credit unions and members
19 of the review board shall keep secret all the facts and information obtained in the
20 course of examinations, ~~except~~ or contained in any report provided by a credit union
21 other than any semiannual or quarterly financial report that is regularly filed with
22 the office of credit unions. This requirement does not apply in any of the following
23 situations:

24 **SECTION 346dq.** 186.235 (7) (c) of the statutes is created to read:

1 186.235 (7) (c) If any person mentioned in par. (a) discloses any information
2 about the private account or transactions of a credit union or any information
3 obtained in the course of an examination of a credit union, except as provided in pars.
4 (a) and (b), that person may be required to forfeit his or her office or position and may
5 be fined not less than \$100 nor more than \$1,000, or imprisoned for not less than 6
6 months nor more than 3 years, or both.

7 **SECTION 346dr.** 186.235 (7) (c) of the statutes, as created by 2001 Wisconsin
8 Act (this act), is repealed and recreated to read:

9 186.235 (7) (c) If any person mentioned in par. (a) discloses any information
10 about the private account or transactions of a credit union or any information
11 obtained in the course of an examination of a credit union, except as provided in pars.
12 (a) and (b), that person is guilty of a Class I felony.

13 **SECTION 346dt.** 186.235 (7m) of the statutes is created to read:

14 186.235 (7m) RETURN OF EXAMINATION REPORTS. Examination reports possessed
15 by a credit union are confidential, remain the property of the office of credit unions,
16 and shall be returned to the office of credit unions immediately upon request.

17 **SECTION 346dx.** 186.235 (16) (b) of the statutes is repealed.

18 **SECTION 346ed.** 186.235 (16) (bm) of the statutes is created to read:

19 186.235 (16) (bm) Except as otherwise provided in this paragraph, the
20 examination of a credit union under par. (a) shall include an examination of the credit
21 union's compliance with s. 186.20. The examination under par. (a) need not include
22 an examination of the credit union's compliance with s. 186.20 if, during the 12
23 months preceding the date of the examination under par. (a), the credit union
24 received from the national board a consumer compliance examination that contains

1 information regarding the credit union's compliance with 15 USC 6801 to 6803 and
2 any applicable regulations prescribed under 15 USC 6804.

3 **SECTION 346ef.** 186.36 of the statutes is amended to read:

4 **186.36 Sale of insurance in credit unions.** Any officer or employee of a
5 credit union, when acting as an agent for the sale of insurance on behalf of the credit
6 union, shall pay all commissions received from the sale of ~~credit life insurance or~~
7 ~~credit accident and sickness insurance~~ to the credit union.

8 **SECTION 346eh.** 186.41 (title) of the statutes is amended to read:

9 **186.41 (title) Interstate ~~acquisition~~ acquisitions and merger mergers**
10 **of credit unions.**

11 **SECTION 346ej.** 186.41 (1) (a) of the statutes is renumbered 186.41 (1) (bm) and
12 amended to read:

13 186.41 (1) (bm) "~~In-state~~ Wisconsin credit union" means a credit union having
14 its principal office located in this state.

15 **SECTION 346eL.** 186.41 (1) (c) of the statutes is renumbered 186.41 (1) (am) and
16 amended to read:

17 186.41 (1) (am) "~~Regional Out-of-state~~ credit union" means a state or federal
18 credit union ~~that has its,~~ the principal office of which is located in ~~one of the regional~~
19 ~~states~~ a state other than this state.

20 **SECTION 346en.** 186.41 (1) (d) of the statutes is repealed.

21 **SECTION 346ep.** 186.41 (2) and (3) of the statutes are amended to read:

22 186.41 (2) ~~IN-STATE WISCONSIN~~ CREDIT UNION. (a) ~~An in-state~~ A Wisconsin credit
23 union may do any of the following:

24 1. Acquire an interest in, or some or all of the assets and liabilities of, one or
25 more regional ~~out-of-state~~ credit unions.

1 2. Merge with one or more ~~regional out-of-state~~ credit unions.

2 (b) ~~An in-state~~ A Wisconsin credit union proposing any action under par. (a)
3 shall provide the office of credit unions a copy of any original application seeking
4 approval by a federal agency or by an agency of the ~~regional~~ another state and of any
5 supplemental material or amendments filed in connection with any application.

6 (3) ~~REGIONAL OUT-OF-STATE~~ CREDIT UNIONS. Except as provided in sub. (4), a
7 ~~regional~~ an out-of-state credit union may do any of the following:

8 (a) Acquire an interest in, or some or all of the assets of, one or more ~~in-state~~
9 Wisconsin credit unions.

10 (b) Merge with one or more ~~in-state~~ Wisconsin credit unions.

11 **SECTION 346er.** 186.41 (4) (intro.), (a) to (d) and (f) of the statutes are amended
12 to read:

13 186.41 (4) LIMITATIONS. (intro.) ~~A regional~~ An out-of-state credit union may
14 not take any action under sub. (3) until all of the following conditions have been met:

15 (a) The office of credit unions finds that the statutes of the ~~regional~~ state in
16 which the ~~regional out-of-state~~ credit union has its principal office permit ~~in-state~~
17 Wisconsin credit unions to both acquire ~~regional out-of-state~~ credit union assets and
18 merge with one or more ~~regional out-of-state~~ credit unions in the ~~regional~~ that state.

19 (b) The office of credit unions has not disapproved the acquisition of ~~in-state~~
20 Wisconsin credit union assets or the merger with the ~~in-state~~ Wisconsin credit union
21 under sub. (5).

22 (c) The office of credit unions gives a class 3 notice, under ch. 985, in the official
23 state newspaper, of the application to take an action under sub. (3) and of the
24 opportunity for a hearing and, if at least 25 residents of this state petition for a
25 hearing within 30 days of the final notice or if the office of credit unions on its own

1 motion calls for a hearing within 30 days of the final notice, the office of credit unions
2 holds a public hearing on the application, except that a hearing is not required if the
3 office of credit unions finds that an emergency exists and that the proposed action
4 under sub. (3) is necessary and appropriate to prevent the probable failure of an
5 ~~in-state~~ Wisconsin credit union that is closed or in danger of closing.

6 (d) The office of credit unions is provided a copy of any original application
7 seeking approval by a federal agency of the acquisition of ~~in-state~~ Wisconsin credit
8 union assets or of the merger with an ~~in-state~~ Wisconsin credit union and of any
9 supplemental material or amendments filed with the application.

10 (f) With regard to an acquisition of assets of an ~~in-state~~ Wisconsin credit
11 union that is chartered on or after May 9, 1986, the ~~in-state~~ Wisconsin credit union
12 has been in existence for at least 5 years before the date of acquisition.

13 **SECTION 346et.** 186.41 (5) (a), (b), (c) and (cr) of the statutes are amended to
14 read:

15 186.41 (5) (a) Considering the financial and managerial resources and future
16 prospects of the applicant and of the ~~in-state~~ Wisconsin credit union concerned, the
17 action would be contrary to the best interests of the members of the ~~in-state~~
18 Wisconsin credit union.

19 (b) The action would be detrimental to the safety and soundness of the
20 applicant or of the ~~in-state~~ Wisconsin credit union concerned, or to a subsidiary or
21 affiliate of the applicant or of the ~~in-state~~ Wisconsin credit union.

22 (c) Because the applicant, its executive officers, or directors have not
23 established a record of sound performance, efficient management, financial
24 responsibility, and integrity, the action would be contrary to the best interests of the

1 creditors, ~~the members or, the other customers of the applicant or of the in-state, the~~
2 Wisconsin credit union, ~~or contrary to the best interests of the public.~~

3 (cr) The applicant has failed to propose to provide adequate and appropriate
4 services of the type contemplated by the community reinvestment act of 1977 in the
5 community in which the ~~in-state~~ Wisconsin credit union which the applicant
6 proposes to acquire or merge with is located.

7 **SECTION 346ev.** 186.41 (6) (a) of the statutes is renumbered 186.41 (6).

8 **SECTION 346ex.** 186.41 (6) (b) of the statutes is repealed.

9 **SECTION 346fd.** 186.41 (8) of the statutes is repealed.

10 **SECTION 346ff.** 186.45 of the statutes is created to read:

11 **186.45 Non-Wisconsin credit union, Wisconsin offices. (1) DEFINITIONS.**

12 In this section:

13 (a) “Non-Wisconsin credit union” means a credit union organized under the
14 laws of and with its principal office located in a state other than this state.

15 (b) “Wisconsin credit union” has the meaning given in s. 186.41 (1) (bm).

16 (2) APPROVAL. A non-Wisconsin credit union may open an office and conduct
17 business as a credit union in this state if the office of credit unions finds that
18 Wisconsin credit unions are allowed to do business in the other state under
19 conditions similar to those contained in this section and that all of the following apply
20 to the non-Wisconsin credit union:

21 (a) It is a credit union organized under laws similar to the credit union laws of
22 this state.

23 (b) It is financially solvent based upon national board ratings.

24 (c) It has member savings insured with federal share insurance.

1 (d) It is effectively examined and supervised by the credit union authorities of
2 the state in which it is organized.

3 (e) It has received approval from the credit union authorities of the state in
4 which it is organized.

5 (f) It has a need to place an office in this state to adequately serve its members
6 in this state.

7 (g) It meets all other relevant standards or qualifications established by the
8 office of credit unions.

9 (3) REQUIREMENTS. A non-Wisconsin credit union shall agree to do all of the
10 following:

11 (a) Grant loans at rates not in excess of the rates permitted for Wisconsin credit
12 unions.

13 (b) Comply with this state's laws.

14 (c) Designate and maintain an agent for the service of process in this state.

15 (4) RECORDS. As a condition of a non-Wisconsin credit union doing business in
16 this state under this section, the office of credit unions may require copies of
17 examination reports and related correspondence regarding the non-Wisconsin
18 credit union.

19 **SECTION 346fg.** 186.80 of the statutes is created to read:

20 **186.80 False statements.** (1) No officer, director, or employee of a credit
21 union may do any of the following:

22 (a) Willfully and knowingly subscribe to or make, or cause to be made, a false
23 statement or entry in the books of the credit union.

24 (b) Knowingly subscribe to or exhibit false information with the intent to
25 deceive any person authorized to examine the affairs of the credit union.

1 (c) Knowingly make, state, or publish any false report or statement of the credit
2 union.

3 (2) Any person who violates sub. (1) may be fined not more than \$5,000, or
4 imprisoned for not less than one year nor more than 15 years, or both.

5 **SECTION 346fh.** 186.80 (2) of the statutes, as created by 2001 Wisconsin Act ...
6 (this act), is repealed and recreated to read:

7 186.80 (2) Any person who violates sub. (1) is guilty of a Class F felony.”

8 **4.** Page 180, line 18: after that line insert:

9 “**SECTION 357p.** Subchapter V of chapter 224 [precedes 224.991] of the statutes
10 is created to read:

11 **CHAPTER 224**

12 **SUBCHAPTER V**

13 **CONSUMER REPORTING AGENCIES**

14 **224.991 Definitions.** In this subchapter:

15 (1) “Consumer report” has the meaning given in 15 USC 1681a (d).

16 (2) “Consumer reporting agency” has the meaning given in 15 USC 1681a (f).

17 (3) “File” has the meaning given in 15 USC 1681a (g).

18 (4) “Investigative consumer report” has the meaning given in 15 USC 1681a
19 (e).

20 (5) “Summary of rights” means the information a consumer reporting agency
21 is required to provide under 15 USC 1681g (c).

22 **224.993 Disclosure to individual.** (1) **IN GENERAL.** A consumer reporting
23 agency shall, upon the written request of an individual, provide the individual with

1 a written disclosure report within 5 business days after receiving the written
2 request.

3 (2) CONTENTS. Except as provided in sub. (4), the written disclosure report
4 provided under sub. (1) shall contain all of the following:

5 (a) A current consumer report pertaining to the individual.

6 (b) The date of each request for credit information pertaining to the individual
7 received by the consumer reporting agency during the 12 months before the date that
8 the consumer reporting agency provides the written disclosure report.

9 (c) The name of each person requesting credit information pertaining to the
10 individual during the 12 months before the date that the consumer reporting agency
11 provides the written disclosure report.

12 (d) The dates, original payees, and amounts of any checks upon which any
13 adverse characterization of the consumer is based.

14 (e) Any other information contained in the individual's file.

15 (f) A clear and concise explanation of the contents of the written disclosure
16 report.

17 (g) A summary of rights.

18 (3) COST. A consumer reporting agency shall provide the written disclosure
19 report required under sub. (1) free of charge, unless the individual has requested a
20 written disclosure report from the consumer reporting agency during the preceding
21 12 months.

22 (4) EXCEPTIONS. A consumer reporting agency may not disclose to an individual
23 making a request under sub. (1) any of the following:

24 (a) The sources of any information that was both acquired solely for use in
25 preparing an investigative consumer report and used for no other purpose.

1 (b) Any credit score or other risk score or predictor relating to the consumer.
2 **224.997 Penalties.** Any person who violates this subchapter may be fined not
3 more than \$500 for the first offense and may be fined not more than \$1,000 or
4 imprisoned for not more than 6 months or both for each subsequent offense occurring
5 within 6 months.”.

6 **5.** Page 215, line 14: after that line insert:

7 **SECTION 464Ld.** 403.103 (2) (hr) of the statutes is created to read:

8 403.103 (2) (hr) “Demand draft” — s. 403.104 (11).

9 **SECTION 464Lf.** 403.104 (6) of the statutes is amended to read:

10 403.104 (6) “Check” means a draft, other than a documentary draft, payable
11 on demand and drawn on a bank or means a cashier’s check or, teller’s check, or
12 demand draft. An instrument may be a check even though it is described on its face
13 by another term, such as money order.

14 **SECTION 464Lh.** 403.104 (11) of the statutes is created to read:

15 403.104 (11) (a) Except as provided under par. (b), “demand draft” means a
16 writing that is not signed by a customer, as defined in s. 404.104 (1) (e), that is created
17 by a 3rd party under the purported authority of the customer for the purpose of
18 charging the customer’s account with a bank, that contains the account number of
19 that account, and that contains at least one of the following:

20 1. The customer’s name.

21 2. A notation that the customer authorized the demand draft.

22 3. The statement “No signature required,” “Authorization on file,” or
23 “Signature on file,” or words to that effect.

1 (b) "Demand draft" does not include a check drawn by a fiduciary, as defined
2 in s. 403.307 (1) (a).

3 **SECTION 464Lj.** 403.416 (1) (f) of the statutes is created to read:

4 403.416 (1) (f) If the instrument is a demand draft, the creation of the
5 instrument according to the terms on its face was authorized by the person identified
6 as the drawer.

7 **SECTION 464LL.** 403.417 (1) (d) of the statutes is created to read:

8 403.417 (1) (d) If the instrument is a demand draft, the creation of the
9 instrument according to the terms on its face was authorized by the person identified
10 as the drawer.

11 **SECTION 464Ln.** 404.104 (3) (fe) of the statutes is created to read:

12 404.104 (3) (fe) "Demand draft" — s. 403.104 (11).

13 **SECTION 464Lp.** 404.207 (1) (f) of the statutes is created to read:

14 404.207 (1) (f) If the item is a demand draft, the creation of the item according
15 to the terms on its face was authorized by the person identified as the drawer.

16 **SECTION 464Lr.** 404.208 (1) (d) of the statutes is created to read:

17 404.208 (1) (d) If the draft is a demand draft, the creation of the draft according
18 to the terms on its face was authorized by the person identified as the drawer."

19 **6.** Page 353, line 16: after that line insert:

20 "(1v) PROPOSAL FOR RURAL FINANCE AUTHORITY. The department of commerce
21 shall work with the department of administration, the department of agriculture,
22 trade and consumer protection, and the Wisconsin Housing and Economic
23 Development Authority to develop a proposal, to be included in the department of
24 commerce's budget request that is submitted to the department of administration,

1 for the 2003–05 biennium for the creation of a rural finance authority. In developing
2 the proposal, the departments and the authority shall do all of the following:

3 (a) Consider proposing that the rural finance authority be created to offer
4 low-interest loans to agricultural producers in this state.

5 (b) Include a governing board to head the authority and consider the feasibility
6 of an 11-member board consisting of 3 agricultural producers; 3 commercial bankers;
7 2 other members appointed by the governor; the secretary of commerce and the
8 secretary of agriculture, trade and consumer protection or their designees; and the
9 executive director of the Wisconsin Housing and Economic Development Authority
10 or his or her designee.

11 (c) Consider including programs such as farm purchase assistance loans,
12 including seller assisted loans, beginning farmer loans for the purchase of animals,
13 machinery, and real estate; an agricultural improvement program to finance
14 physical improvements of farm operations; a livestock modernization program; and
15 a program to finance purchases by agricultural producers of stock in cooperatives
16 that engage in agricultural processing.

17 (d) Consider transferring agricultural programs administered by the
18 Wisconsin Housing and Economic Development Authority to the rural finance
19 authority.”

20 **7.** Page 443, line 10: delete “section” and substitute “sections 186.235 (7) (c),
21 186.80 (2), and”.

22 **8.** Page 454, line 15: delete “section” and substitute “sections 186.235 (7) (c),
23 186.80 (2), and”.

24 (END)



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10 purchaser’s account at a depository institution.

11 (c) “Depository institution” means a bank, savings bank, savings and loan
12 association, or credit union.

13 (2) Beginning on the first day of the 37th month beginning after the effective
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15 selling goods at retail or selling services and who accepts a credit card or a debit card
16 for the purchase of goods or services may issue a credit card or debit card receipt, for
17 that purchase, on which is printed more than 5 digits of the credit card or debit card
18 number.

19 (3) This section does not apply to any person who issues a credit card or debit
20 card receipt that is handwritten or that is manually prepared by making an imprint
21 of the credit card or debit card.”.

22 **3.** Page 177, line 14: after that line insert:

23 “**SECTION 346cd.** 186.01 (2) of the statutes is amended to read:

1 186.01 (2) “Credit union” means, except as specifically provided under ss.
2 186.41 (1) and 186.45 (1), a cooperative, nonprofit corporation, incorporated under
3 this chapter to encourage thrift among its members, create a source of credit at a fair
4 and reasonable cost, and provide an opportunity for its members to improve their
5 economic and social conditions.

6 **SECTION 346cf.** 186.02 (2) (a) 1. of the statutes is amended to read:

7 186.02 (2) (a) 1. The conditions of ~~residence or occupation which qualify persons~~
8 that determine eligibility for membership.

9 **SECTION 346ch.** 186.02 (2) (b) 2. of the statutes is amended to read:

10 186.02 (2) (b) 2. Residents Except as otherwise provided in this subdivision,
11 individuals who reside or are employed within –a– well-defined neighborhood,
12 community or rural district and contiguous neighborhoods and communities. If the
13 office of credit unions, subsequent to a credit union merger, determines that it would
14 be inappropriate under the circumstances to require members of the credit union
15 that results from the merger to reside or be employed in contiguous neighborhoods
16 and communities, the requirement that these neighborhoods and communities be
17 contiguous does not apply.

18 **SECTION 346cj.** 186.02 (2) (b) 2m. of the statutes is created to read:

19 186.02 (2) (b) 2m. Individuals who reside or are employed within well-defined
20 and contiguous rural districts or multicity regions.

21 **SECTION 346cL.** 186.02 (2) (c) of the statutes is amended to read:

22 186.02 (2) (c) Members of the immediate family of all qualified persons are
23 eligible for membership. ~~In this paragraph, “members of the immediate family”~~
24 ~~include the wife, husband, parents, stepchildren and children of a member whether~~

1 ~~living together in the same household or not and any other relatives of the member~~
2 ~~or spouse of a member living together in the same household as the member.~~

3 **SECTION 346cn.** 186.02 (2) (d) of the statutes is renumbered 186.02 (2) (d) 1.
4 and amended to read:

5 186.02 (2) (d) 1. ~~Organizations and associations~~ An organization or association
6 of individuals, the majority of ~~whom~~ the directors, owners, or members of which are
7 eligible for membership, may be admitted to membership in the same manner and
8 under the same conditions as individuals.

9 **SECTION 346cp.** 186.02 (2) (d) 2. of the statutes is created to read:

10 186.02 (2) (d) 2. An organization or association that has its principal business
11 location within any geographic limits of the credit union's field of membership may
12 be admitted to membership.

13 **SECTION 346cr.** 186.11 (4) (title) of the statutes is amended to read:

14 186.11 (4) (title) INVESTMENT IN CREDIT UNION SERVICE CORPORATIONS
15 ORGANIZATIONS.

16 **SECTION 346ct.** 186.11 (4) (a) of the statutes is renumbered 186.11 (4) (a)
17 (intro.) and amended to read:

18 186.11 (4) (a) (intro.) ~~A~~ Unless the office of credit unions approves a higher
19 percentage, a credit union may invest not more than 1.5% of its total assets in the
20 capital shares or obligations of a credit union service corporation organizations that
21 satisfy all of the following:

22 2. Are organized primarily to provide goods and services to credit unions, credit
23 union organizations, and credit union members.

24 **SECTION 346cv.** 186.11 (4) (a) 1. of the statutes is created to read:

1 186.11 (4) (a) 1. Are corporations, limited partnerships, limited liability
2 companies, or other entities that are permitted under the laws of this state and that
3 are approved by the office of credit unions.

4 **SECTION 346cx.** 186.11 (4) (b) (intro.) and 1. of the statutes are amended to
5 read:

6 186.11 (4) (b) (intro.) A credit union service corporation organization under par.
7 (a) may provide goods and services including any of the following:

8 1. Credit union operations services, including service centers, credit and debit
9 card services, automated teller and remote terminal services, electronic transaction
10 services, accounting systems, data processing, management training and support,
11 payment item processing, record retention and storage, locator services, research,
12 debt collection, credit analysis and loan servicing, coin and currency services, and
13 marketing and advertising services.

14 **SECTION 346dd.** 186.11 (4) (c) of the statutes is amended to read:

15 186.11 (4) (c) A credit union service corporation organization may be subject
16 to audit by the office of credit unions.

17 **SECTION 346df.** 186.113 (1) of the statutes is amended to read:

18 186.113 (1) BRANCH OFFICES. ~~If the need and necessity exist and with~~ With the
19 approval of the office of credit unions, establish branch offices inside ~~this state or no~~
20 ~~more than 25 miles~~ or outside of this state. Permanent records may be maintained
21 at branch offices established under this subsection. In this subsection, the term
22 “branch office” does not include a remote terminal, a limited services office, or a
23 service center.

24 **SECTION 346dh.** 186.113 (1m) (a) (intro.) of the statutes is amended to read:

1 186.113 (1m) (a) (intro.) Establish Before the effective date of this paragraph
2 [revisor inserts date], establish limited services offices outside this state to serve
3 any member of the credit union if all of the following requirements are met:

4 **SECTION 346dj.** 186.113 (6) (b) and (c) of the statutes are amended to read:

5 186.113 (6) (b) Act as trustees or custodians of member tax deferred retirement
6 funds, individual retirement accounts, medical savings accounts, or other employee
7 benefit accounts or funds permitted by federal law to be deposited in a credit union.

8 (c) Act as a depository for ~~member deferred~~ member qualified and
9 nonqualified deferred compensation funds as permitted by federal law.

10 **SECTION 346dL.** 186.113 (24) of the statutes is created to read:

11 186.113 (24) FUNERAL TRUSTS. Accept deposits made by members for the
12 purpose of funding burial agreements by trusts created pursuant to s. 445.125.

13 **SECTION 346dn.** 186.20 of the statutes is created to read:

14 **186.20 Financial privacy.** A credit union shall comply with any applicable
15 requirements under 15 USC 6801 to 6803 and any applicable regulations prescribed
16 by the national board under 15 USC 6804.

17 **SECTION 346dp.** 186.235.(7) (a) (intro.) of the statutes is amended to read:

18 186.235 (7) (a) (intro.) Employees of the office of credit unions and members
19 of the review board shall keep secret all the facts and information obtained in the
20 course of examinations, except or contained in any report provided by a credit union
21 other than any semiannual or quarterly financial report that is regularly filed with
22 the office of credit unions. This requirement does not apply in any of the following
23 situations:

24 **SECTION 346dq.** 186.235 (7) (c) of the statutes is created to read:

1 186.235 (7) (c) If any person mentioned in par. (a) discloses any information
2 about the private account or transactions of a credit union or any information
3 obtained in the course of an examination of a credit union, except as provided in pars.
4 (a) and (b), that person may be required to forfeit his or her office or position and may
5 be fined not less than \$100 nor more than \$1,000, or imprisoned for not less than 6
6 months nor more than 3 years, or both.

7 **SECTION 346dr.** 186.235 (7) (c) of the statutes, as created by 2001 Wisconsin
8 Act (this act), is repealed and recreated to read:

9 186.235 (7) (c) If any person mentioned in par. (a) discloses any information
10 about the private account or transactions of a credit union or any information
11 obtained in the course of an examination of a credit union, except as provided in pars.
12 (a) and (b), that person is guilty of a Class I felony.

13 **SECTION 346dt.** 186.235 (7m) of the statutes is created to read:

14 186.235 (7m) RETURN OF EXAMINATION REPORTS. Examination reports possessed
15 by a credit union are confidential, remain the property of the office of credit unions,
16 and shall be returned to the office of credit unions immediately upon request.

17 **SECTION 346dx.** 186.235 (16) (b) of the statutes is repealed.

18 **SECTION 346ed.** 186.235 (16) (bm) of the statutes is created to read:

19 186.235 (16) (bm) Except as otherwise provided in this paragraph, the
20 examination of a credit union under par. (a) shall include an examination of the credit
21 union's compliance with s. 186.20. The examination under par. (a) need not include
22 an examination of the credit union's compliance with s. 186.20 if, during the 12
23 months preceding the date of the examination under par. (a), the credit union
24 received from the national board a consumer compliance examination that contains

1 information regarding the credit union's compliance with 15 USC 6801 to 6803 and
2 any applicable regulations prescribed under 15 USC 6804.

3 **SECTION 346ef.** 186.36 of the statutes is amended to read:

4 **186.36 Sale of insurance in credit unions.** Any officer or employee of a
5 credit union, when acting as an agent for the sale of insurance on behalf of the credit
6 union, shall pay all commissions received from the sale of ~~credit life insurance or~~
7 ~~credit accident and sickness insurance~~ to the credit union.

8 **SECTION 346eh.** 186.41 (title) of the statutes is amended to read:

9 **186.41 (title) Interstate acquisition acquisitions and merger mergers**
10 **of credit unions.**

11 **SECTION 346ej.** 186.41 (1) (a) of the statutes is renumbered 186.41 (1) (bm) and
12 amended to read:

13 186.41 (1) (bm) "~~In-state~~ Wisconsin credit union" means a credit union having
14 its principal office located in this state.

15 **SECTION 346eL.** 186.41 (1) (c) of the statutes is renumbered 186.41 (1) (am) and
16 amended to read:

17 186.41 (1) (am) "~~Regional Out-of-state~~ credit union" means a state or federal
18 credit union ~~that has its, the~~ principal office of which is located in ~~one of the regional~~
19 ~~states~~ a state other than this state.

20 **SECTION 346en.** 186.41 (1) (d) of the statutes is repealed.

21 **SECTION 346ep.** 186.41 (2) and (3) of the statutes are amended to read:

22 186.41 (2) ~~IN-STATE~~ WISCONSIN CREDIT UNION. (a) ~~An in-state~~ A Wisconsin credit
23 union may do any of the following:

24 1. Acquire an interest in, or some or all of the assets and liabilities of, one or
25 more ~~regional out-of-state~~ credit unions.

1 2. Merge with one or more ~~regional out-of-state~~ credit unions.

2 (b) ~~An in-state~~ A Wisconsin credit union proposing any action under par. (a)
3 shall provide the office of credit unions a copy of any original application seeking
4 approval by a federal agency or by an agency of the ~~regional another~~ state and of any
5 supplemental material or amendments filed in connection with any application.

6 (3) ~~REGIONAL OUT-OF-STATE~~ CREDIT UNIONS. Except as provided in sub. (4), a
7 ~~regional an out-of-state~~ credit union may do any of the following:

8 (a) Acquire an interest in, or some or all of the assets of, one or more ~~in-state~~
9 Wisconsin credit unions.

10 (b) Merge with one or more ~~in-state~~ Wisconsin credit unions.

11 **SECTION 346er.** 186.41 (4) (intro.), (a) to (d) and (f) of the statutes are amended
12 to read:

13 186.41 (4) LIMITATIONS. (intro.) ~~A regional~~ An out-of-state credit union may
14 not take any action under sub. (3) until all of the following conditions have been met:

15 (a) The office of credit unions finds that the statutes of the ~~regional~~ state in
16 which the ~~regional out-of-state~~ credit union has its principal office permit ~~in-state~~
17 Wisconsin credit unions to both acquire ~~regional out-of-state~~ credit union assets and
18 merge with one or more ~~regional out-of-state~~ credit unions in the ~~regional that~~ state.

19 (b) The office of credit unions has not disapproved the acquisition of ~~in-state~~
20 Wisconsin credit union assets or the merger with the ~~in-state~~ Wisconsin credit union
21 under sub. (5).

22 (c) The office of credit unions gives a class 3 notice, under ch. 985, in the official
23 state newspaper, of the application to take an action under sub. (3) and of the
24 opportunity for a hearing and, if at least 25 residents of this state petition for a
25 hearing within 30 days of the final notice or if the office of credit unions on its own

1 motion calls for a hearing within 30 days of the final notice, the office of credit unions
2 holds a public hearing on the application, except that a hearing is not required if the
3 office of credit unions finds that an emergency exists and that the proposed action
4 under sub. (3) is necessary and appropriate to prevent the probable failure of an
5 ~~in-state~~ a Wisconsin credit union that is closed or in danger of closing.

6 (d) The office of credit unions is provided a copy of any original application
7 seeking approval by a federal agency of the acquisition of ~~in-state~~ Wisconsin credit
8 union assets or of the merger with an ~~in-state~~ a Wisconsin credit union and of any
9 supplemental material or amendments filed with the application.

10 (f) With regard to an acquisition of assets of an ~~in-state~~ a Wisconsin credit
11 union that is chartered on or after May 9, 1986, the ~~in-state~~ Wisconsin credit union
12 has been in existence for at least 5 years before the date of acquisition.

13 **SECTION 346et.** 186.41 (5) (a), (b), (c) and (cr) of the statutes are amended to
14 read:

15 186.41 (5) (a) Considering the financial and managerial resources and future
16 prospects of the applicant and of the ~~in-state~~ Wisconsin credit union concerned, the
17 action would be contrary to the best interests of the members of the ~~in-state~~
18 Wisconsin credit union.

19 (b) The action would be detrimental to the safety and soundness of the
20 applicant or of the ~~in-state~~ Wisconsin credit union concerned, or to a subsidiary or
21 affiliate of the applicant or of the ~~in-state~~ Wisconsin credit union.

22 (c) Because the applicant, its executive officers, or directors have not
23 established a record of sound performance, efficient management, financial
24 responsibility, and integrity, the action would be contrary to the best interests of the

1 creditors, ~~the members or, the~~ other customers of the applicant ~~or of the in-state, the~~
2 Wisconsin credit union, ~~or contrary to the best interests of the public.~~

3 (cr) The applicant has failed to propose to provide adequate and appropriate
4 services of the type contemplated by the community reinvestment act of 1977 in the
5 community in which the ~~in-state~~ Wisconsin credit union which the applicant
6 proposes to acquire or merge with is located.

7 **SECTION 346ev.** 186.41 (6) (a) of the statutes is renumbered 186.41 (6).

8 **SECTION 346ex.** 186.41 (6) (b) of the statutes is repealed.

9 **SECTION 346fd.** 186.41 (8) of the statutes is repealed.

10 **SECTION 346ff.** 186.45 of the statutes is created to read:

11 **186.45 Non-Wisconsin credit union, Wisconsin offices.** (1) DEFINITIONS.

12 In this section:

13 (a) "Non-Wisconsin credit union" means a credit union organized under the
14 laws of and with its principal office located in a state other than this state.

15 (b) "Wisconsin credit union" has the meaning given in s. 186.41 (1) (bm).

16 (2) APPROVAL. A non-Wisconsin credit union may open an office and conduct
17 business as a credit union in this state if the office of credit unions finds that
18 Wisconsin credit unions are allowed to do business in the other state under
19 conditions similar to those contained in this section and that all of the following apply
20 to the non-Wisconsin credit union:

21 (a) It is a credit union organized under laws similar to the credit union laws of
22 this state.

23 (b) It is financially solvent based upon national board ratings.

24 (c) It has member savings insured with federal share insurance.

1 (d) It is effectively examined and supervised by the credit union authorities of
2 the state in which it is organized.

3 (e) It has received approval from the credit union authorities of the state in
4 which it is organized.

5 (f) It has a need to place an office in this state to adequately serve its members
6 in this state.

7 (g) It meets all other relevant standards or qualifications established by the
8 office of credit unions.

9 (3) REQUIREMENTS. A non-Wisconsin credit union shall agree to do all of the
10 following:

11 (a) Grant loans at rates not in excess of the rates permitted for Wisconsin credit
12 unions.

13 (b) Comply with this state's laws.

14 (c) Designate and maintain an agent for the service of process in this state.

15 (4) RECORDS. As a condition of a non-Wisconsin credit union doing business in
16 this state under this section, the office of credit unions may require copies of
17 examination reports and related correspondence regarding the non-Wisconsin
18 credit union.

19 **SECTION 346fg.** 186.80 of the statutes is created to read:

20 **186.80 False statements.** (1) No officer, director, or employee of a credit
21 union may do any of the following:

22 (a) Willfully and knowingly subscribe to or make, or cause to be made, a false
23 statement or entry in the books of the credit union.

24 (b) Knowingly subscribe to or exhibit false information with the intent to
25 deceive any person authorized to examine the affairs of the credit union.

1 (c) Knowingly make, state, or publish any false report or statement of the credit
2 union.

3 (2) Any person who violates sub. (1) may be fined not more than \$5,000, or
4 imprisoned for not less than one year nor more than 15 years, or both.

5 **SECTION 346fh.** 186.80 (2) of the statutes, as created by 2001 Wisconsin Act
6 (this act), is repealed and recreated to read:

7 186.80 (2) Any person who violates sub. (1) is guilty of a Class F felony.”.

8 **4.** Page 180, line 18: after that line insert:

9 “**SECTION 357p.** Subchapter V of chapter 224 [precedes 224.991] of the statutes
10 is created to read:

11 **CHAPTER 224**

12 **SUBCHAPTER V**

13 **CONSUMER REPORTING AGENCIES**

14 **224.991 Definitions.** In this subchapter:

15 (1) “Consumer report” has the meaning given in 15 USC 1681a (d).

16 (2) “Consumer reporting agency” has the meaning given in 15 USC 1681a (f).

17 (3) “File” has the meaning given in 15 USC 1681a (g).

18 (4) “Investigative consumer report” has the meaning given in 15 USC 1681a
19 (e).

20 (5) “Summary of rights” means the information a consumer reporting agency
21 is required to provide under 15 USC 1681g (c).

22 **224.993 Disclosure to individual.** (1) IN GENERAL. A consumer reporting
23 agency shall, upon the written request of an individual, provide the individual with

1 a written disclosure report within 5 business days after receiving the written
2 request.

3 (2) CONTENTS. Except as provided in sub. (4), the written disclosure report
4 provided under sub. (1) shall contain all of the following:

5 (a) A current consumer report pertaining to the individual.

6 (b) The date of each request for credit information pertaining to the individual
7 received by the consumer reporting agency during the 12 months before the date that
8 the consumer reporting agency provides the written disclosure report.

9 (c) The name of each person requesting credit information pertaining to the
10 individual during the 12 months before the date that the consumer reporting agency
11 provides the written disclosure report.

12 (d) The dates, original payees, and amounts of any checks upon which any
13 adverse characterization of the consumer is based.

14 (e) Any other information contained in the individual's file.

15 (f) A clear and concise explanation of the contents of the written disclosure
16 report.

17 (g) A summary of rights.

18 (3) COST. A consumer reporting agency shall provide the written disclosure
19 report required under sub. (1) free of charge, unless the individual has requested a
20 written disclosure report from the consumer reporting agency during the preceding
21 12 months.

22 (4) EXCEPTIONS. A consumer reporting agency may not disclose to an individual
23 making a request under sub. (1) any of the following:

24 (a) The sources of any information that was both acquired solely for use in
25 preparing an investigative consumer report and used for no other purpose.

1 (b) Any credit score or other risk score or predictor relating to the consumer.

2 **224.997 Penalties.** Any person who violates this subchapter may be fined not
3 more than \$500 for the first offense and may be fined not more than \$1,000 or
4 imprisoned for not more than 6 months or both for each subsequent offense occurring
5 within 6 months.”

6 **5.** Page 443, line 10: delete “section” and substitute “sections 186.235 (7) (c),
7 186.80 (2), and”.

8 **6.** Page 454, line 15: delete “section” and substitute “sections 186.235 (7) (c),
9 186.80 (2), and”.

10 (END)