

2001 SENATE BILL 450

February 20, 2002 – Introduced by LAW REVISION COMMITTEE. Referred to Committee on Privacy, Electronic Commerce and Financial Institutions.

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

Analysis by the Legislative Reference Bureau

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

For further information, see the NOTES provided by the law revision committee of the joint legislative council.

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For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

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

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

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

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

7 **34.08 (2)** Payments under sub. (1) shall be made in the order in which
8 satisfactory proofs of loss are received by the division of banking. The payment made
9 to any public depositor for all losses of the public depositor in any individual public
10 depository may not exceed \$400,000 above the amount of deposit insurance provided
11 by an agency of the United States ~~or by the Wisconsin Credit Union Savings~~
12 ~~Insurance Corporation~~ at the public depository which that experienced the loss.
13 Upon a satisfactory proof of loss, the division of banking shall direct the department
14 of administration to draw its warrant payable from the appropriation under s. 20.144
15 (1) (a) and the state treasurer shall pay the warrant under s. 14.58 (4) in favor of the
16 public depositor that has submitted the proof of loss.

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

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1 186.082 (1) (b) The Wisconsin credit union savings insurance corporation
2 organized under s. 186.35, 1999 stats.

3 **SECTION 4.** 186.086 (1) (b) of the statutes is amended to read:

4 186.086 (1) (b) If the credit union was incorporated before June 13, 1987, by
5 an amendment to the articles of incorporation which becomes effective on or after
6 June 13, 1987, as provided in ~~s. 186.02 (4) (a) or~~ under s. 186.35 (1), on or after June
7 13, 1987 1999 stats., or s. 186.02 (4) (a).

8 **SECTION 5.** 186.093 (1) of the statutes is amended to read:

9 186.093 (1) “Credit union” means a cooperative, nonprofit corporation
10 incorporated under s. 186.02 and the Wisconsin credit union savings insurance
11 corporation organized under s. 186.35, 1999 stats.

12 **SECTION 6.** 186.314 (4) of the statutes is amended to read:

13 186.314 (4) Upon ceasing to be a state credit union, the credit union shall no
14 longer be subject to this chapter. The successor federal credit union shall be vested
15 with all the assets and shall continue to be responsible for all of the obligations of the
16 state credit union, ~~including annual and special assessments levied under s. 186.35~~
17 ~~(5) (d) prior to the date a copy of the federal credit union charter is filed with the office~~
18 ~~of credit unions,~~ to the same extent as though the conversion had not taken place.

19 **SECTION 7.** 186.35 of the statutes is repealed.

20 **SECTION 8.** 231.17 of the statutes, as affected by 2001 Wisconsin Act 30, is
21 amended to read:

22 **231.17 Investment of funds.** The authority may invest any funds in bonds,
23 notes, certificates of indebtedness, treasury bills, or other securities constituting
24 direct obligations of, or obligations the principal and interest of which are
25 guaranteed by, the United States; in those certificates of deposit or time deposits

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

10 **SECTION 9.** 445.125 (1) (b) of the statutes is amended to read:

11 445.125 (1) (b) All trust funds under par. (a) shall be deposited with a bank or
12 trust company within the state whose deposits are insured by the federal deposit
13 insurance corporation, deposited in a savings and loan association or savings bank
14 within the state whose deposits are insured by the federal deposit insurance
15 corporation or invested in a credit union within the state whose savings are insured
16 by the national board, as defined in s. 186.01 (3m), ~~or by the Wisconsin credit union~~
17 ~~savings insurance corporation~~ and shall be held in a separate account in the name
18 of the depositor, in trust for the beneficiary until the trust fund is released under
19 either of the conditions provided in par. (a) 1. In the event of the death of the
20 depositor before the death of the potential decedent, title to such funds shall vest in
21 the potential decedent, and the funds shall be used for the personal property and
22 services to be furnished under the contract for the funeral of the potential decedent.
23 The depositor shall be furnished with a copy of the receipts, certificates or other
24 appropriate documentary evidence showing that the funds have been deposited or
25 invested in accordance with this subsection. The depositor or the beneficiary shall

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1 furnish the bank, trust company, savings bank, savings and loan association or credit
2 union with a copy of the contract. Upon receipt of a certified copy of the certificate
3 of death of the potential decedent, together with the written statement of the
4 beneficiary that the agreement was complied with, the bank, trust company, savings
5 bank, savings and loan association or credit union shall release such trust funds to
6 the beneficiary.

7 **SECTION 10.** 880.04 (2) (a) of the statutes is amended to read:

8 880.04 (2) (a) Deposit in a savings account in a bank, the payment of whose
9 accounts in cash immediately upon default of the bank are insured by the federal
10 deposit insurance corporation; deposit in a savings account in a savings bank or a
11 savings and loan association that has its deposits insured by the federal deposit
12 insurance corporation; deposit in a savings account in a credit union having its
13 deposits guaranteed by ~~the Wisconsin credit union savings insurance corporation or~~
14 ~~by the national board, as defined in s. 186.01 (3m); or invest in interest-bearing~~
15 obligations of the United States. The fee for the clerk's services in depositing and
16 disbursing the funds under this paragraph is prescribed in s. 814.61 (12) (a).

NOTE: Current law provides for the organization and operation of the Wisconsin Credit Union Savings Insurance Corporation. The board was organized to insure the deposit accounts of a credit union. The deposit accounts of all Wisconsin credit unions, however, are currently insured through the national credit union share insurance fund. The Wisconsin Credit Union Savings Insurance Corporation no longer exists. SECTIONS 1 through 10 delete references to the Wisconsin Credit Union Savings Insurance Corporation.

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