



2007 SENATE BILL 378

1 **AN ACT** *to renumber* 221.0302 (1) and 221.0904 (1) (a); *to renumber and*
2 *amend* 221.0302 (7) and 221.0302 (10); *to amend* 221.0904 (1) (b); *to repeal*
3 *and recreate* 221.0302 (10) (title); and *to create* 221.0302 (1g), 221.0302 (7)
4 (b), 221.0302 (8m), 221.0302 (10) (b), 221.0904 (1) (ac) and (ag) and 221.0904
5 (4m) of the statutes; **relating to:** the location of bank branches.

Analysis by the Legislative Reference Bureau

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

6 **SECTION 1.** 221.0302 (1) of the statutes is renumbered 221.0302 (1m).

7 **SECTION 2.** 221.0302 (1g) of the statutes is created to read:

8 221.0302 (**1g**) DEFINITIONS. In this section:

9 (a) “Affiliate” means any company that directly or indirectly controls, or is
10 under common control with, another company.

SENATE BILL 378**SECTION 2**

1 (b) “Bank holding company” has the meaning given in 12 USC 1841 (a).

2 (c) “Commercial activities” means those activities in which a bank holding
3 company, financial holding company, national bank, state bank, as defined in s.
4 221.0903 (1) (e), or state bank certified under ch. 222 as a universal bank are not
5 authorized to engage under federal or state law.

6 (d) “Company” has the meaning given in s. 221.0901 (2) (f).

7 (e) “Financial holding company” has the meaning given in 12 USC 1841 (p).

8 **SECTION 3.** 221.0302 (7) of the statutes is renumbered 221.0302 (7) (a) and
9 amended to read:

10 221.0302 (7) (a) *General.* ~~The~~ Except as provided in par. (b), the division shall
11 approve the establishment of a branch bank under sub. (1) (1m) or the conversion of
12 a bank to a branch bank under sub. (2) if the financial and managerial resources and
13 future prospects of the bank establishing a branch bank, or the surviving bank of a
14 merger or consolidation, are satisfactory to the division.

15 **SECTION 4.** 221.0302 (7) (b) of the statutes is created to read:

16 221.0302 (7) (b) *Location restrictions; certification of compliance.* The division
17 may not approve the establishment of a branch bank under sub. (1m), the conversion
18 of a bank to a branch bank under sub. (2), or the transfer of a branch bank under sub.
19 (3) if the establishment, conversion, or transfer would violate sub. (8m). Each bank
20 shall certify to the division that the location of a branch bank complies with sub. (8m).

21 **SECTION 5.** 221.0302 (8m) of the statutes is created to read:

22 221.0302 (8m) **LOCATION RESTRICTIONS FOR BRANCH BANKS.** Except as provided
23 in sub. (10) (b), no bank may directly or indirectly establish or maintain in this state
24 a branch bank that is located within a 1.5-mile radius of premises or property owned,
25 leased, or otherwise controlled, directly or indirectly, by an affiliate of the bank that

SENATE BILL 378

1 engages in commercial activities. No bank may circumvent the prohibition in this
2 subsection by first establishing a branch bank and then locating, or attempting to
3 influence or facilitate the location of, an office of the bank’s affiliate engaged in
4 commercial activities within a 1.5-mile radius of the location of the branch bank.

5 **SECTION 6.** 221.0302 (10) (title) of the statutes is repealed and recreated to
6 read:

7 221.0302 **(10)** (title) EXEMPTIONS.

8 **SECTION 7.** 221.0302 (10) of the statutes is renumbered 221.0302 (10) (a) and
9 amended to read:

10 221.0302 **(10)** (a) *Grandfathered branch banks.* Every branch bank, branch
11 office, or bank station existing on August 1, 1989, is considered to be a branch bank
12 approved by the division under this paragraph.

13 **SECTION 8.** 221.0302 (10) (b) of the statutes is created to read:

14 221.0302 **(10)** (b) *Exemption from location restrictions.* Subsections (7) (b) and
15 (8m) do not apply to any bank branch approved by the division on or before the
16 effective date of this paragraph [revisor inserts date].

17 **SECTION 9.** 221.0904 (1) (a) of the statutes is renumbered 221.0904 (1) (am).

18 **SECTION 10.** 221.0904 (1) (ac) and (ag) of the statutes are created to read:

19 221.0904 **(1)** (ac) “Affiliate” has the meaning given in s. 221.0302 (1g) (a).

20 (ag) “Commercial activities” has the meaning given in s. 221.0302 (1g) (c).

21 **SECTION 11.** 221.0904 (1) (b) of the statutes is amended to read:

22 221.0904 **(1)** (b) “Out-of-state bank” ~~has the meaning given in s. 221.0903 (1)~~
23 (d) means any bank, as defined in 12 USC 1813 (a) (1), with a home state other than
24 this state.

25 **SECTION 12.** 221.0904 (4m) of the statutes is created to read:

SENATE BILL 378**SECTION 12**

1 221.0904 (**4m**) LOCATION RESTRICTIONS FOR BRANCHES OF OUT-OF-STATE BANKS. (a)
2 *General.* Except as provided in par. (c), no out-of-state bank may directly or
3 indirectly establish or maintain in this state a branch that is located within a
4 1.5-mile radius of premises or property owned, leased, or otherwise controlled,
5 directly or indirectly, by an affiliate of the out-of-state bank that engages in
6 commercial activities. No out-of-state bank may circumvent the prohibition in this
7 paragraph by first establishing a branch and then locating, or attempting to
8 influence or facilitate the location of, an office of the out-of-state bank's affiliate
9 engaged in commercial activities within a 1.5-mile radius of the branch location.

10 (b) *Certification of compliance.* Each out-of-state bank that establishes or
11 maintains a branch in this state shall certify to the division that the location of any
12 such branch complies with par. (a).

13 (c) *Exemptions.* This subsection does not apply to any branch of an out-of-state
14 bank that was approved by the division on or before the effective date of this
15 paragraph [revisor inserts date].

16

(END)