

2007 Senate Bill 378

Date of enactment: **March 18, 2008**

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2007 WISCONSIN ACT 112

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

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

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

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

221.0302 (1g) DEFINITIONS. In this section:

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

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

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

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

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

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

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

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

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

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

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

* Section 991.11, WISCONSIN STATUTES 2005–06 : Effective date of acts. “Every act and every portion of an act enacted by the legislature over the governor’s partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated” by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

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

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

221.0302 (10) (title) EXEMPTIONS.

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

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

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

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

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

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

221.0904 (1) (ac) "Affiliate" has the meaning given in s. 221.0302 (1g) (a).

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

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

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

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

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

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

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