February 1, 2012 – Introduced by Representative KRAMER, cosponsored by Senator GROTHMAN. Referred to Committee on Financial Institutions.

AN ACT to amend 34.06; and to create 34.05 (4) of the statutes; relating to:

deposit placement programs of public depositaries.

Analysis by the Legislative Reference Bureau

Under current law, the governing board of a public depositor must designate one or more public depositaries in which the treasurer must deposit all public moneys received by the treasurer and must specify whether these public moneys are to be maintained in time deposits, demand deposits, or savings deposits and whether security is required of the public depository to secure the repayment of deposits exceeding deposit insurance. A treasurer must deposit public moneys immediately upon receipt in the designated public depository or public depositaries. These requirements apply to the state, local governments, and certain other depositors. A “treasurer” is not limited to an elected official but includes any public official or employee whose duties require that he or she receive and account for public moneys. A “public depository” includes a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, federal or state savings bank, or national bank in this state that receives or holds any public deposits. A treasurer who deposits public moneys in a public depository in compliance with the foregoing requirements is relieved of liability for any loss of public moneys that results from the failure of the public depository to repay the full amount of its deposits.

Under this bill, a public depositor may direct its treasurer to deposit public moneys in a selected public depository and, directly or through an authorized agent, instruct the public depository to arrange for the redeposit of the moneys through a
deposit placement program that meets all of the following conditions: 1) on or after
the date that it receives the public moneys, the selected public depository arranges
for the redeposit of the moneys into savings deposit accounts in one or more federal
or state savings and loan associations, state banks, federal or state savings banks,
savings and trust companies, or national banks insured by the federal deposit
insurance corporation (FDIC) or federal or state credit unions insured by the
national credit union administration (NCUA); and 2) the full amount of the public
depositor’s moneys redeposited with these financial institutions, plus any accrued
interest, are insured by the FDIC OR NCUA. A treasurer who deposits public
moneys in a selected public depository as part of such a deposit placement program
is relieved of liability for loss.

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

**SECTION 1.** 34.05 (4) of the statutes is created to read:

34.05 (4) Notwithstanding sub. (1), s. 66.0603 (1m) (a), or any other provision
of law, the governing board of a public depository may direct the treasurer of the
governing board to deposit public moneys in a selected public depository and, directly
or through an authorized agent, instruct the public depository to arrange for the
redeposit of the moneys through a deposit placement program that meets all of the
following conditions:

(a) On or after the date that it receives the public moneys, the selected public
depository arranges for the redeposit of the moneys into savings deposit accounts in
one or more federal or state savings and loan associations, state banks, federal or
state savings banks, savings and trust companies, or national banks insured by the
federal deposit insurance corporation or federal or state credit unions insured by the
national credit union administration.

(b) The full amount of the public depositor’s moneys redeposited by the selected
depository into deposit accounts with the financial institutions identified in par. (a),
plus any accrued interest, are insured by the federal deposit insurance corporation
or national credit union administration.

SECTION 2. 34.06 of the statutes is amended to read:

34.06 Liability of treasurers. Notwithstanding any other provision of law,
a treasurer who deposits public moneys in any public depository, in compliance with
s. 34.05, is thereby relieved of liability for any loss of public moneys which results
from the failure of any public depository to repay to the public depositor the full
amount of its deposits thus causing a loss as defined in s. 34.01 (2).

(END)