

1979 Senate Bill 256

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## CHAPTER 308, Laws of 1979

AN ACT to repeal 221.08 (8) (b) and 221.29 (5) (a) to (g); to renumber and amend 221.08 (8) (a); and to amend 112.05, 221.08 (3) and (4), 221.29 (5) (intro.) and 221.31 (1) of the statutes, relating to various changes in the banking statutes.

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

SECTION 1. 112.05 of the statutes is amended to read:

**112.05 Trust funds; person holding prohibited from dealing in margins.** Any person engaged in the business of receiving deposits of money for safekeeping, any officer or employe of any bank, banking company, or trust company, any executor, administrator, guardian, trustee, or receiver, or any other person holding property or money in any manner in a trust capacity, who ~~shall buy, sell, deal, or traffic~~ buys, sells, deals or trafficks in any goods, stocks, grains, or other property or article of commercial barter by making or requiring any deposit, payment, or pledge of any margin or of any money or property to cover future fluctuation in the price of such goods, stocks, grains, or other property so bought, sold, dealt, or trafficked in, shall be ~~punished by imprisonment in the Wisconsin state prisons not more than 10 years, nor less than one year~~ imprisoned for not less than one year, nor more than 10 years. Nothing in this section prohibits any person ~~who acts in a fiduciary capacity~~ from using personal funds for any purpose whatever.

SECTION 2. 221.08 (3) and (4) of the statutes are amended to read:

221.08 (3) In the first instance, the directors shall be elected at the meeting held before the bank is authorized to commence business by the commissioner of banking, and afterwards at the annual meeting of the stockholders ~~to which shall be held during the month of July or January; and if at a time established in the bylaws.~~ If for any reason an election is not had at that meeting, it may be held at a subsequent meeting called for that purpose, of which due notice shall be given as provided in the by-laws of such bank bylaws.

(4) Every director shall take and subscribe an oath that he or she will diligently and honestly perform his or her duty in such office, and will not knowingly violate or permit a violation of ~~any provision of this act; and that he is the owner in good faith of capital stock~~

of the bank having a par value of not less than \$500 standing in his name on the books of the bank; and that such shares are not pledged as collateral security; provided, that any person serving as a director of any bank on the effective date of this subsection, shall be eligible for reelection annually thereafter if he meets the requirements in force prior to that date chs. 220 to 224. Any such oath shall be transmitted to the commissioner and filed in his or her office.

SECTION 3. 221.08 (8) (a) of the statutes is renumbered 221.08 (8) and amended to read:

221.08 (8) The ~~president and one vice president~~ senior executive officer in charge of conducting business shall be chosen from the board of directors.

SECTION 4. 221.08 (8) (b) of the statutes is repealed.

SECTION 5. 221.29 (5) (intro.) of the statutes is amended to read:

221.29 (5) (intro.) No bank shall may make or renew any loan or loans, the aggregate total of which exceeds the amounts prescribed in this subsection level established by the board of directors without being supported by a sworn financial statement unless the loan is secured by collateral having a value in excess of the amount of the loan, ~~but no sworn financial statement is required if the loan is not in excess of.~~

SECTION 6. 221.29 (5) (a) to (g) of the statutes are repealed.

SECTION 7. 221.31 (1) of the statutes is amended to read:

221.31 (1) No bank shall may loan without security more than ~~\$2,500~~ \$10,000 in the aggregate to any director, officer, or employe, and any loan in excess of ~~such amount~~ \$10,000 shall be subject to the following conditions: The loan shall previously be approved by resolution of the board of directors recorded in its minutes or be within the limits of a line of credit approved for such director, officer or employe at least annually by resolution of the board of directors recorded in its minutes. The amount of any loan in excess of ~~\$2,500~~ \$10,000 made to such person shall be secured in full by indorsement or collateral security, the sufficiency of which shall be reviewed by the board of directors at its first meeting after each new loan.

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