

1981 Assembly Bill 675

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## CHAPTER 84 , Laws of 1981

AN ACT to repeal 112.05; to amend 221.08 (1) and 221.49; and to repeal and recreate 221.27 of the statutes, relating to persons holding trust funds dealing in margins, residency of directors of bank-owned banks, state bank reserve requirements, use of "bank", removing a penalty and granting rule-making authority.

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

SECTION 2. 112.05 of the statutes is repealed.

SECTION 4. 221.08 (1) of the statutes is amended to read:

221.08 (1) The affairs of the bank shall be managed by a board of not less than 5 directors, at least two-thirds of whom shall reside in this state, and a majority of ~~whom the~~ directors of a bank not chartered under s. 221.57 shall reside in the county or adjoining counties in which the bank is located. No person who has been convicted of a crime against the banking laws of the United States, or of any state of the union, shall be elected director. They shall be elected by the stockholders and hold office for one year and until their successors have been elected and have qualified. If the bylaws provide for a minimum and maximum number of directors, the stockholders may at any annual meeting vote to elect less than the maximum number and to authorize the board to appoint directors to the unfilled offices at any time prior to the next annual meeting. In no event shall the stockholders elect less than 5 directors nor shall the board be permitted to appoint more than 2 persons to such unfilled offices.

SECTION 5. 221.27 of the statutes is repealed and recreated to read:

**221.27 Reserves.** (1) In this section:

- (a) "Municipal obligation" has the meaning given under s. 67.01 (2).
- (b) "Short-term" means maturing within 18 months or less.

(2) Every bank shall maintain sufficient reserves to meet anticipated withdrawals, commitments and loan demand. Every bank shall maintain at least the level of reserves required by the federal reserve system and a bank which is not a member of the federal reserve system shall maintain at least the level of reserves required by the federal reserve system of member state banks. The commissioner of banking may prescribe additional reserve requirements for an individual bank based on examination findings or other reports available to the commissioner.

(3) Reserves of a bank shall consist of any of the following:

(a) Cash.

(b) Cash items in the process of collection.

(c) Short-term obligations of or demand balances with other insured financial institutions in the United States.

(d) Short-term obligations of or guaranteed by the federal government.

(e) Short-term obligations of this state.

(f) Short-term municipal obligations.

(g) Short-term obligations approved by rule of the commissioner of banking.

SECTION 6. 221.49 of the statutes is amended to read:

**221.49** (title) **Not to use "bank"**. No person engaged in business in this state, not subject to supervision and examination by the commissioner of banking, and not required to make reports to him by this chapter, shall make use of the words "~~bank,~~" "~~savings bank,~~" or "~~banker~~" (or the plural thereof) "bank" in any form upon any office sign at the place where such business is transacted, ~~having thereon any artificial or corporate name or other words indicating that such place or office is the place or office of a bank,~~ nor shall such person make use of or circulate any letterheads, billheads, blank notes, blank receipts, certificates, circulars, or any written or printed or partly written and partly printed paper whatever having thereon any artificial or corporate name, or other words, indicating that such business is the business of a bank, but members of the Mortgage Bankers Association of America may use the designation "mortgage banker". ~~Any person violating this section, either individually or as an interested party in any copartnership or corporation shall be guilty of a misdemeanor, and on conviction thereof may be fined not less than \$300 nor more than \$1,000, or imprisoned in the county jail not less than 60 days nor more than one year or both. Violations of this section are subject to s. 220.02 (2).~~

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