

State of Wisconsin



1997 Assembly Bill 379

Date of enactment: **April 20, 1998**

Date of publication*: **May 4, 1998**

1997 WISCONSIN ACT 138

AN ACT relating to: reinstating a bank trust fund provision created by 1995 Wisconsin Act 273 that was unintentionally repealed by 1995 Wisconsin Act 336 (Revisor's Correction Bill).

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

SECTION 1. 221.0316 (3) of the statutes, as affected by 1995 Wisconsin Act 336, is renumbered 221.0316 (3) (b) and amended to read:

221.0316 (3) (b) A bank that exercises trust powers shall keep its trust accounts in books separate from its other books of account. All funds and property held by the bank in a trust capacity shall, at all times, be kept separate from the other funds and property of the bank, except that uninvested trust funds may be deposited in an account in the bank or in any other bank, including an affiliated bank, that is a member of the Federal Deposit Insurance Corporation. All deposits of uninvested trust funds shall be deposited as trust funds to its credit as trustee. In the event of insolvency or liquidation of a bank in which the accounts are maintained, all bank accounts comprising trust funds so deposited have preference and priority in all assets of the bank over the bank's general creditors,

without the necessity of tracing or identifying the trust funds.

NOTE: 1995 Wis. Act 273 renumbered s. 221.04 (6a) to s. 221.04 (6a) (b) and amended it to add the language underscored above. 1995 Wis. Act 336 repealed and recreated ch. 221 in its entirety without taking into account the treatment of ch. 221 by Act 273. The provision previously appearing as s. 221.04 (6a), entitled "TRUST FUNDS: HOW KEPT", is modified and appears at s. 221.0316 (3) as a result of Act 336. This provision and the next provision of this bill reinstate the Act 273 treatments of ch. 221.

SECTION 2. 221.0316 (3) (a) of the statutes is created to read:

221.0316 (3) (a) In this subsection, "affiliated bank" means, with respect to a bank exercising trust powers, any bank that directly or indirectly controls, or is directly or indirectly controlled by, or is under common control with, the bank exercising trust powers.

NOTE: 1995 Wis. Act 273 created this provision as s. 221.04 (6a) (a). 1995 Wis. Act 336 repealed and recreated ch. 221 in its entirety without taking into account the treatment of ch. 221 by Act 273. This provision and the previous provision of this bill reinstate the Act 273 treatments of ch. 221.

* Section 991.11, WISCONSIN STATUTES 1995-96: 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].