

to the board of health to be used for the purposes for which they were donated. Any balance remaining after the conclusion of the experiments, investigation and research conducted under such cooperative agreement may be refunded to the donors.

SECTION 3. The introductory paragraph of section 144.01 of the statutes is amended to read: (144.01) (Introductory paragraph) The following terms as used in \* \* \* sections 144.01 to 144.12 mean:

SECTION 4. This act shall take effect upon passage and publication.

Approved June 23, 1927.

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No. 320, S.]

[Published June 24, 1927.

## CHAPTER 265.

AN ACT to amend subsection (6) of section 221.04, subsection (1) of section 221.33 and section 223.10 of the statutes, relating to state banks and trust companies.

*The people of the State of Wisconsin, represented in Senate and Assembly, do enact as follows:*

SECTION 1. Subsection (6) of section 221.04, subsection (1) of section 221.33 and section 223.10 of the statutes are amended to read: (221.04) (6) When thereto authorized by the commissioner of banking, and if and after it shall have in good faith complied with all requirements of law and fulfilled all the conditions precedent to the exercise of such powers imposed by law upon trust company banks, except section 223.02, any *state* bank may act as trustee, executor, administrator, registrar of stocks and bonds, guardian of estate, assignee, receiver, committee of estates of lunatics, and in any other fiduciary capacity in which trust company banks are permitted to act, and when so appointed, is authorized and shall be required to execute bond with a corporation authorized to transact surety business as surety in such amount and in other respects as shall be directed or approved by the court exercising jurisdiction of such trust. *Provided, that any state bank so authorized by the commissioner of banking which shall comply with section 223.02 of the statutes shall be exempt from furnishing the bond hereinbefore specified and shall be entitled to the same exemption as to making and filing any*

*oath or giving any bond or security as is conferred on trust company banks by subsection (8) of section 223.03 of the statutes.* In passing upon applications for permission to exercise such fiduciary powers, the commissioner of banking may take into consideration the amount of capital and surplus of the applying bank, whether or not such capital and surplus is sufficient under the circumstances, the needs of the community to be served, and any other facts and circumstances that seem to him material, and may grant or refuse the application accordingly; provided that no special authorization shall be issued to any such bank having a capital less than the capital from time to time required by law of a national bank exercising fiduciary power in the same place. If satisfied that such bank has in good faith complied with all the requirements of law and fulfilled all the conditions precedent to the exercise of such powers imposed by law, the commissioner of banking may within six months after the date on which the application of such bank was filed, issue under his hand and official seal, in triplicate, a special authorization certificate to such bank. Such certificate shall state that the bank named therein has complied with the provisions of law applicable to banks exercising fiduciary powers, and is authorized to exercise the same. One of the triplicate special authorization certificates shall be transmitted by the commissioner of banking to the bank thereby authorized to exercise fiduciary powers; another shall be filed and recorded in the office of the commissioner of banking, and the third shall be recorded at the expense of such bank in the office of the register of deeds of the county in which such bank is located. In the conduct of its business under or in connection with such authorization to exercise fiduciary powers every bank so authorized shall comply with and be governed by all the provisions of law from time to time applicable to individuals acting in a similar capacity.

(221.33) (1) No bank or bank officer shall give preference to any depositor or creditor by pledging the assets of the bank as collateral security; provided, that a state bank may deposit with the treasurer of the United States so much of its assets not exceeding its capital and surplus as may be necessary under the act of congress, approved June 25, 1910, and all amendments thereof, to qualify as a depository for postal-savings funds and other government deposits; and provided, that any bank may borrow money for temporary purposes, and may pledge assets of

the bank not exceeding fifty per cent in excess of the amount borrowed as collateral security therefor; *provided, that any state bank so authorized by the commissioner of banking which shall comply with section 223.02 of the statutes shall be exempt from furnishing the bond specified in subsection (6) of section 221.04 and shall be entitled to the same exemption as to making and filing any oath or giving any bond or security as is conferred on trust company banks by subsection (8) of section 223.03 of the statutes, but it shall be unlawful for any bank to borrow money unless a resolution stating the amount, naming the bank from which it shall be borrowed, and designating two officers to sign the promissory note evidencing such debt, shall have been duly adopted by the board of directors and spread of record in the minute book. Provided, that whenever it shall appear that a bank is borrowing habitually for the purpose of reloaning, the commissioner of banking may require such bank to repay money so borrowed. Nothing herein contained shall prevent any bank from rediscounting in good faith and indorsing any of its negotiable notes if the same shall have been authorized by a recorded resolution of the board of directors.*

223.10 No court of this state shall appoint or name any corporation as trustee, executor, administrator, guardian, assignee, receiver, or in any other fiduciary capacity unless such corporation is organized and existing under the provisions of sections 223.01 to 223.09 of the statutes, *or unless such corporation is a duly organized state bank which has become entitled under subsection (6) of section 221.04 to exercise fiduciary powers, or is a national bank with authority to exercise such powers.*

SECTION 2. This act shall take effect upon passage and publication.

Approved June 23, 1927.