

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

Approved June 23, 1941.

No. 438, A.]

[Published June 25, 1941.

### CHAPTER 279.

AN ACT to repeal and recreate 221.29 of the statutes, relating to the limitation of loans and investments made by banks.

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

SECTION 1. Section 221.29 of the statutes is repealed and recreated to read:

221.29 LIMIT OF LOANS AND INVESTMENTS. (1) (a) The total liabilities of any person or partnership, including the liabilities of the several partners except special partners, or corporation, other than a municipal corporation, to any bank for money borrowed shall at no time exceed 20 per cent of the capital stock and surplus or 15 per cent of the capital and surplus of such bank with the exceptions stated in this subsection.

(b) Providing such liabilities are secured by warehouse receipts issued by warehousemen licensed and bonded in this state under section 100.13 or under the federal bonded warehouse act, and providing such receipts cover readily marketable nonperishable staples which are fully covered by insurance if it is customary to insure such staples, and providing the market value of such staples is not at any time less than 140 per cent of the face amount of the obligation, this limitation shall be 30 per cent in addition to that stated in paragraph (a) hereof.

(c) Providing such liabilities are in the form of notes and secured by not less than a like amount of bonds or notes of the United States issued since April 24, 1917 or certificates of indebtedness of the United States, this limitation shall be 30 per cent in addition to that stated in paragraph (a) hereof.

(2) The total liabilities of any municipal corporation to any bank for money borrowed shall at no time exceed 25 per cent of the capital and surplus of such bank, except, however, temporary borrowings of such corporation maturing within one year from the date of issue, in which event the limitation shall

be 60 per cent of the capital stock and surplus or 50 per cent of the capital and surplus of such bank.

(3) The discounting of bills of exchange drawn in good faith against actually existing values and the discounting of commercial or business paper actually owned by the person negotiating the same shall not be considered as money borrowed within the meaning of subsections (1) and (2) of this section.

(4) The limitation herein provided shall apply only to new loans made after the effective date hereof. The renewal of an existing loan without increasing the amount thereof shall not be considered a new loan and a renewal with an increase shall be considered a new loan to the extent of the increase.

(5) No bank having a combined capital and surplus of more than \$25,000 shall make or renew any loan of \$500 or more without securing a sworn financial statement unless the loan is secured by collateral having a value in excess of the amount of the loan. No bank having a combined capital and surplus of \$25,000 or less shall make or renew any loan of more than 2 per cent of its combined capital and surplus without securing a sworn financial statement unless such loan is secured by collateral having a value in excess of the amount of the loan.

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

Approved June 23, 1941.

No. 461, A.]

[Published June 25, 1941.

#### CHAPTER 280.

AN ACT to create 20.12 (9) of the statutes, relating to locating and filling dredged holes in the bed of Shawano lake, and making an appropriation.

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

Subsection (9) of section 20.12 of the statutes is created to read:

(20.12) (9) On the effective date of this subsection, \$10,000, as a nonlapsible appropriation, for the purpose of locating and mapping the dredged holes in the bed of Shawano