

CHAPTER 640

AN ACT to repeal 34.03 (1) (m), 34.065, 34.07 (1), 34.08 (5) and (6); to renumber 34.07 (2); and to amend 20.550 (7), 34.03 (1) (g) and (j), 34.04 (4), 34.08 (1) (a) and 34.10 of the statutes, relating to a clarification of the provisions of chapter 34 relating to public deposits.

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

SECTION 1. 20.550 (7) of the statutes is amended to read:

20.550 (7) Annually, such sums as may be necessary for the payment to public depositors of losses as defined by s. 34.01 (6) and the expenses of administration and any reinsurance costs. The aggregate of said payments shall not exceed the balance in the state deposit fund as of the close of business on June 30, 1955 plus interest at the rate of 2½ per cent per annum computed to the date of any such payment.

SECTION 2. 34.03 (1) (g) and (j) of the statutes are amended to read:

34.03 (1) (g) To employ such persons as shall be necessary to administer and carry out the purposes of this chapter. All expenses of administration and reinsurance shall be paid out of the state deposit fund subject to the provisions of * * * ss. 20.480 (72) and 34.08.

(j) To and shall designate public depositories for deposits of state funds and public money coming into the hands of the state treasurer, prescribe and allocate the deposits of state moneys and limit the amount of public moneys which may be deposited in any public depository so designated. It shall have all the powers and duties with relation to the state treasurer and state moneys that are herein granted and imposed upon other governing boards, and only such banks as have been named by the state of Wisconsin investment board as working banks shall carry state deposits on which checks are drawn to conduct the daily business of the state, all of which deposits shall be payable on demand. The state of Wisconsin investment board may designate banks as special depositories in which the state treasurer may make special deposits of funds, not exceeding the amount limited by the state of Wisconsin investment board, which are not currently needed for the conduct of the daily business of the state, which special deposits shall be deposited subject to such bank's rules and regulations relative to either savings accounts, time certificates of deposit or open time accounts, as the case may be, and shall bear interest at the rate of 1½ per cent per annum, payable quarterly, until changed by the state of Wisconsin investment board. Public depositories heretofore designated as state depositories shall continue as such until further action by the state of Wisconsin investment board * * *.

SECTION 3. 34.03 (1) (m) of the statutes is repealed.

SECTION 4. 34.04 (4) of the statutes is amended to read:

34.04 (4) Whenever the * * * liability for losses payable from the general fund under s. 20.550 (7) exceeds \$3,000,000 the premium rate for the ensuing quarter shall not exceed one-tenth of one per cent per annum.

SECTION 5. 34.065 of the statutes is repealed.

SECTION 6. 34.07 (1) of the statutes is repealed.

SECTION 7. 34.07 (2) of the statutes is renumbered 34.07.

SECTION 8. 34.08 (1) (a) of the statutes is amended to read:

34.08 (1) (a) Payments made as required by * * * this chapter shall be set apart from other funds of the state and shall constitute the state deposit fund. Such fund shall be used for the payment to public depositors of losses as defined by s. 34.01 (6), the repayment of any sums borrowed by the state of Wisconsin investment board for the purpose of paying losses required to be paid out of such fund, and for the payment of administrative expenses under s. 20.480 (72). Such fund shall be deposited by the state of Wisconsin investment board as are other funds of the state. *On July 1, 1955, the segregated state deposit fund authorized by s. 34.08 (1) shall be discontinued and the balance therein shall be transferred to the general fund. Any payments made by public depositors after July 1, 1955, pursuant to the provisions of this chapter shall reconstitute the state deposit fund and shall be used to make any payments for losses, expenses of administration or reinsurance after the sum transferred to the general fund plus interest is exhausted.* On satisfactory proof of loss, the state of Wisconsin investment board shall direct the director of budget and accounts to draw his warrant payable from the state deposit fund in payment of such loss as provided in this chapter, and the state treasurer shall promptly pay such warrant out of moneys in his hands to the credit of the state deposit fund.

SECTION 9. 34.08 (5) and (6) of the statutes are repealed.

SECTION 10. 34.10 of the statutes is amended to read:

34.10 Whenever the commissioner of banks or the comptroller of the currency with a view of restoring the solvency of any bank of which he has taken charge, pursuant to law, or with a view to stabilizing and readjusting the banking structure of any national or state banking institution located in this state, shall approve a reorganization plan or a stabilization and readjustment agreement entered into between such bank and depositors and unsecured creditors, or when a bank, with the approval of the commissioner of banks or comptroller of currency proposes to sell its assets to another bank which agrees to assume a part or all of the deposit liability of such selling bank and to pay the same on a deferred payment basis, the governing board of such public depositor may, on the approval of the state of Wisconsin investment board, join in the execution of any reorganization plan, or any stabilization and readjustment agreement, or any depositor's agreement relative to a proposed sale of assets if, in its judgment and that of the state of Wisconsin investment board, such reorganization plan or stabilization and readjustment agreement or proposed sale of assets is in the best interest of all persons concerned. The joining in any such reorganization plan, or any stabilization and readjustment agreement, or any proposed sale of assets which meets the approval of the state of Wisconsin investment board shall not operate as a waiver of any rights arising under this chapter * * *.

Approved August 15, 1957.