



2021 ASSEMBLY BILL 1023

February 17, 2022 - Introduced by LAW REVISION COMMITTEE. Referred to Committee on Rules.

AUTHORS SUBJECT TO CHANGE

1 **AN ACT to repeal** 138.056 (1) (a) 1., 186.082 (1) (b) and 186.082 (2) (f); **to**
2 **consolidate, renumber and amend** 186.082 (1) (intro.) and (a); and **to**
3 **amend** 20.912 (4), 34.01 (2) (a), 34.10, 186.093 (1), 186.093 (2), 186.20, 215.01
4 (7m), 220.04 (6) (b) and 813.16 (7) of the statutes; **relating to:** eliminating
5 obsolete references relating to credit unions, the commissioner of banking,
6 certain federal agencies, and a mortgage rate index (suggested as remedial
7 legislation by the Department of Financial Institutions).

Analysis by the Legislative Reference Bureau

This bill eliminates the following obsolete statutory references:

1. References to the commissioner of banking. In 1995 Wisconsin Act 27, the Office of the Commissioner of Banking was eliminated and replaced by a new Division of Banking in the newly created Department of Financial Institutions.
2. References to the Wisconsin Credit Union Savings Insurance Corporation. The Wisconsin Credit Union Savings Insurance Corporation was eliminated in 2005 Wisconsin Act 134.
3. References to federal agencies formerly involved in matters relating to financial institution insolvency and to a mortgage rate index formerly computed by one such agency.
4. References to the National Credit Union Administration in the context of certain federal regulations, such that a credit union must comply with federal

ASSEMBLY BILL 1023

regulations relating to privacy and the disclosure of personal information regardless of which authorized agency prescribed them.

For further information, see the NOTES provided by the Law Revision Committee of the Joint Legislative Council.

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

LAW REVISION COMMITTEE PREFATORY NOTE: This bill is a remedial legislation proposal, requested by the Department of Financial Institutions and introduced by the Law Revision Committee under s. 13.83 (1) (c) 4. and 5., stats. After careful consideration of the various provisions of the bill, the Law Revision Committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

1 **SECTION 1.** 20.912 (4) of the statutes is amended to read:

2 20.912 (4) INSOLVENT DEPOSITORIES. When the bank, savings and loan
3 association, savings bank, or credit union on which any check, share draft, or other
4 draft is drawn by the secretary of administration before payment of such check, share
5 draft, or other draft becomes insolvent or is taken over by the division of banking, the
6 federal home loan bank board, the U.S. office of thrift supervision, the federal deposit
7 insurance corporation, the resolution trust corporation, the office of credit unions,
8 the administrator of federal credit unions, or the U.S. comptroller of the currency, the
9 secretary of administration shall on the demand of the person in whose favor such
10 check, share draft, or other draft was drawn and upon the return to the secretary of
11 such check, share draft, or other draft issue a replacement for the same amount.

12 **SECTION 2.** 34.01 (2) (a) of the statutes is amended to read:

13 34.01 (2) (a) Any loss of public moneys, which have been deposited in a
14 designated public depository in accordance with this chapter, resulting from the
15 failure of any public depository to repay to any public depositor the full amount of
16 its deposit because the office of credit unions, administrator of federal credit unions,
17 U.S. comptroller of the currency, federal home loan bank board, U.S. office of thrift

ASSEMBLY BILL 1023

1 ~~supervision,~~ federal deposit insurance corporation, ~~resolution trust corporation,~~ or
2 division of banking has taken possession of the public depository or because the
3 public depository has, with the consent and approval of the office of credit unions,
4 administrator of federal credit unions, ~~U.S. office of thrift supervision,~~ federal
5 deposit insurance corporation, ~~resolution trust corporation,~~ or division of banking,
6 adopted a stabilization and readjustment plan or has sold a part or all of its assets
7 to another credit union, bank, savings bank, or savings and loan association which
8 has agreed to pay a part or all of the deposit liability on a deferred payment basis or
9 because the depository is prevented from paying out old deposits because of rules of
10 the office of credit unions, administrator of federal credit unions, U.S. comptroller
11 of the currency, ~~federal home loan bank board, U.S. office of thrift supervision,~~
12 federal deposit insurance corporation, ~~resolution trust corporation,~~ or division of
13 banking.

14 **SECTION 3.** 34.10 of the statutes is amended to read:

15 **34.10 Reorganization and stabilization of financial institutions.**

16 Whenever the office of credit unions, administrator of federal credit unions, U.S.
17 comptroller of the currency, ~~federal home loan bank board, U.S. office of thrift~~
18 ~~supervision,~~ federal deposit insurance corporation, ~~resolution trust corporation,~~ or
19 division of banking has taken charge of a credit union, bank, savings bank, or savings
20 and loan association with a view of restoring its solvency, pursuant to law, or with
21 a view of stabilizing and readjusting the structure of any national or state credit
22 union, bank, savings bank, or savings and loan association located in this state, and
23 has approved a reorganization plan or a stabilization and readjustment agreement
24 entered into between the credit union, bank, savings bank, or savings and loan
25 association and depositors and unsecured creditors, or when a credit union, bank,

ASSEMBLY BILL 1023**SECTION 3**

1 savings bank, or savings and loan association, with the approval of the office of credit
2 unions, administrator of federal credit unions, U.S. comptroller of the currency,
3 ~~federal home loan bank board, U.S. office of thrift supervision,~~ federal deposit
4 insurance corporation, ~~resolution trust corporation,~~ or division of banking proposes
5 to sell its assets to another credit union, bank, savings bank, or savings and loan
6 association which agrees to assume a part or all of the deposit liability of such selling
7 credit union, bank, savings bank, or savings and loan association and to pay the same
8 on a deferred payment basis, the governing board of the public depositor may, on the
9 approval of the division of banking, join in the execution of any reorganization plan,
10 or any stabilization and readjustment agreement, or any depositor's agreement
11 relative to a proposed sale of assets if, in its judgment and that of the division of
12 banking, the reorganization plan or stabilization and readjustment agreement or
13 proposed sale of assets is in the best interest of all persons concerned. The joining
14 in any reorganization plan, or any stabilization and readjustment agreement, or any
15 proposed sale of assets which meets the approval of the division of banking does not
16 waive any rights under this chapter.

NOTE: SECTIONS 1 to 3 delete obsolete references to federal agencies formerly involved in financial institution insolvency.

17 **SECTION 4.** 138.056 (1) (a) 1. of the statutes is repealed.

NOTE: This SECTION eliminates an obsolete reference to a federal index that was formerly calculated.

18 **SECTION 5.** 186.082 (1) (intro.) and (a) of the statutes are consolidated,
19 renumbered 186.082 (1) and amended to read:

20 186.082 (1) "Credit union" means ~~any of the following:~~ (a) A a cooperative,
21 nonprofit corporation incorporated under s. 186.02 and any domestic or foreign

ASSEMBLY BILL 1023**SECTION 5**

1 predecessor of that corporation where the predecessor's existence ceased upon the
2 consummation of a merger or other transaction.

3 **SECTION 6.** 186.082 (1) (b) of the statutes is repealed.

4 **SECTION 7.** 186.082 (2) (f) of the statutes is repealed.

5 **SECTION 8.** 186.093 (1) of the statutes is amended to read:

6 186.093 (1) "Credit union" means a cooperative, nonprofit corporation
7 incorporated under s. 186.02 and the ~~Wisconsin credit union savings insurance~~
8 ~~corporation organized under s. 186.35, 2003 stats.~~

9 **SECTION 9.** 186.093 (2) of the statutes is amended to read:

10 186.093 (2) "Director or officer" means a natural person who serves as a
11 director or officer of a credit union, or as a member of a credit union's credit
12 committee, ~~or a natural person who was a trustee of the Wisconsin credit union~~
13 ~~savings insurance corporation organized under s. 186.35, 2003 stats.~~

NOTE: SECTIONS 5 to 9 delete references to the Wisconsin credit union savings
insurance corporation, which was eliminated by 2005 Wisconsin Act 34.

14 **SECTION 10.** 186.20 of the statutes is amended to read:

15 **186.20 Financial privacy.** A credit union shall comply with any applicable
16 requirements under 15 USC 6801 to 6803 and any applicable regulations prescribed
17 ~~by the national credit union administration~~ under 15 USC 6804.

NOTE: This SECTION eliminates a reference to a specific federal agency but retains
the requirement for a credit union to comply with regulations prescribed under federal
law.

18 **SECTION 11.** 215.01 (7m) of the statutes is amended to read:

19 215.01 (7m) "Federal regulatory agency" means ~~the federal office of thrift~~
20 ~~supervision or other~~ a federal agency or entity which ~~that~~ supervises and examines
21 an association.

22 **SECTION 12.** 220.04 (6) (b) of the statutes is amended to read:

