

BANKING ACT.

(Submitted to the people at the general election held November 7, 1876.)

[Published April 6, 1876.]

CHAPTER 384.

AN ACT for the organization of savings banks and savings societies.

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

How associations to be organized.

SECTION 1. Any number of persons, not less than twenty, may unite for the purpose of organizing an association to receive on deposit the savings of laborers, mechanics, farmers, servants, minors and others, and to loan the same for the benefit of such depositors. They may make, sign and acknowledge before some proper officer authorized to take the acknowledgments of deeds, a certificate in writing, in which shall be stated the name of such association, the names of the corporators, the name of the city, village, town and county in which the operation of such association is to be conducted.

Certificate to be filed in office of register of deeds and duplicate deposited in office of secretary of state.

SECTION 2. Such certificate shall be filed in the office of register of deeds of the county in which the business of the association is to be carried on, and a duplicate thereof shall be deposited in the office of the secretary of state.

Power of corporation to enact by-laws. Same to be conspicuously posted.

SECTION 3. Such corporation shall have power to enact by-laws for the government of its affairs, and such by-laws may prescribe the condition on which such deposits shall be made and the terms on which payments shall be made to the depositors by such institution, and the depositors shall be bound by the conditions enacted in such by-laws, which shall be printed and conspicuously posted in the office of such corporation.

SECTION 4. The corporators shall annually elect by ballot a board of trustees or directors, which shall consist of not less than ten.

Board of trustees.

SECTION 5. The trustees or directors, within ten days after their election, shall elect from the members of their own board a president, one or more vice-presidents, a treasurer, and a secretary; they may also elect from their own members a committee on finance, all of said officers to hold their offices till others are elected to fill their places.

Officers of board of trustees.

SECTION 6. It shall be lawful for such corporations to purchase, hold and convey such real estate as banks of discount and circulation are authorized by laws of this state to purchase, hold and convey.

Corporation may hold and convey real estate.

SECTION 7. No more than three officers of any savings association, shall at the same time be officers of any one bank of discount or circulation, or trust company; and no cashier of a bank of discount or circulation shall be treasurer of any savings bank having over five hundred thousand dollars of deposits.

But three officers of savings association may be officers of bank of discount.

SECTION 8. Any savings bank organized under this act may employ not exceeding one-half its deposits in making loans on personal security, and in the purchase of the public stock or bonds of the United States, of the northwestern states, to wit: Ohio, Indiana, Michigan, Illinois, Iowa, Wisconsin and Minnesota, of the authorized bonds of any incorporated city, village, town or county in the aforesaid northwestern states. All other loans shall be secured by mortgage of unincumbered real estate, lying and situated in the aforesaid northwestern states. No such savings bank shall invest any part of its deposits in the stock of any railroad company, nor loan on, nor invest in, any mortgage on real estate, except such real estate as lies in the aforesaid northwestern states.

How deposits may be employed and secured.

SECTION 9. No such corporation shall buy or loan any money upon any obligation, on which only one person or firm shall be holden, without additional security for the same, equivalent to the guarantee or indorsement of some other responsible party.

What security not acceptable.

SECTION 10. Such bank may receive on deposit from any one person, in his or her own name, or in the name of another, in one year, a sum not exceeding one thousand dollars.

Limit of deposits.

SECTION 11. The directors, managers or trustees, shall annually appoint not less than two auditors, who shall not be directors, managers, or trustees of the corporation, who shall examine the books, accounts and

Auditors, and duties of same.

securities belonging to such society or bank, and make a sworn statement showing the true condition thereof, the total amount of deposits, the whole number of depositors, the largest amount due to any one depositor, the amount invested in loans on real estate securities, the amount invested in stocks and bonds, the amount of funds on hand, the names of corporators, trustees, and of the other officers of such institution, on the first day of January of each year, which statement shall be kept on file in the office of such bank, and an attested copy of the same shall be forwarded to the secretary of state, on or before the first day of February in each year.

Circulating medium not to be issued.

SECTION 12. Such corporation shall not make and issue any bill or promissory note to circulate as currency.

Compensation of officers.

SECTION 13. No corporator, trustee, director, manager, nor any other officer, except the treasurer, shall receive any compensation for his services in the management of such bank, nor derive any emolument therefrom; *provided, however,* that the president may receive for his services a sum not exceeding five hundred dollars, when the deposits shall exceed five hundred thousand dollars.

How income to be divided.

SECTION 14. The net income actually earned by any such association shall be divided semi-annually among its depositors to an amount not to exceed six per cent. a year on their deposits. The surplus earnings above said six per cent. after reserving a moderate sum for a contingent fund, shall be divided among the depositors as an extra dividend as often as once in every three years.

Officers of corporation not to be borrowers' surety.

SECTION 15. No trustee, director or manager of such corporation shall be a borrower or surety for a borrower of any of its funds, nor receive any money or valuable thing for negotiating, procuring or recommending any loan from such bank, nor for selling or aiding in the sale of any stocks, bonds or securities to such savings bank, and any such officer who shall violate any provision of this section shall forfeit to the state one thousand dollars.

Treasurer to give notice of meetings.

SECTION 16. The treasurer shall, at least ten days before each meeting of the corporators, mail or deliver to each a written or printed notice of the day and hour of holding such meeting, and if he shall neglect to give such notice, he shall pay one hundred dollars into the treasury of the town or city where such bank is located.

SECTION 17. The treasurer shall give bonds with surety to the acceptance of the directors or trustees in not less than ten thousand dollars, payable to said bank, said bond to be in the custody of the president thereof. No president, director or trustee shall be surety in the bond of such treasurer.

Treasurer to give bonds.

SECTION 18. Every corporation formed under the provisions of this act shall possess the powers and be subject to the provisions of the seventy-eighth chapter of the revised statutes so far as the same may be applicable.

What laws corporation subject to.

SECTION 19. At the general election to be held on the Tuesday next succeeding the first Monday in November, in the year eighteen hundred and seventy-six, at the usual places of holding such elections in this state for the election of all officers required by law then and there to be elected, the question whether this act shall go into effect, or in any manner be in force, shall be submitted to the people, and if the same shall be approved by a majority of all the votes cast on that subject, it shall go into effect and be in force from and after the date of said election, otherwise it shall not go into effect or in any manner be in force.

Act to be submitted to voters at general election.

SECTION 20. The votes cast on the subject specified in the last preceding section, shall be by separate ballot, and shall have written or printed on each of them the words, "For an act to incorporate savings banks," or, "Against an act to incorporate savings banks," which words shall indicate the vote of the elector for or against the approval of this act, and the ballots so cast shall be canvassed and returned in the same manner as the votes cast for state officers and required by law to be canvassed, and the secretary of state shall, immediately on the completion of said canvass, publish a statement of the result thereof, in some newspaper printed at the seat of government, and shall communicate the same to the next legislature, at the commencement of its session, and he shall also deliver to the state treasurer a certified copy of this act, if the same shall have been approved, and a statement of the result of the canvass on the subject, immediately after the completion of said canvass.

How vote to be taken and canvassed and returns made.

SECTION 21. This act shall take effect and be in force from and after its passage.

Approved March 13, 1876.

STATE OF WISCONSIN, }
 SECRETARY'S OFFICE. } ss.

I, Peter Doyle, secretary of state of the state of Wisconsin, do hereby certify that the foregoing banking act, being chapter 384 of the laws of 1876, was duly ratified and adopted by the people, at a general election, held on the Tuesday succeeding the first Monday of November, 1876, as appears from the determination and certificate of the state board of canvassers, now of record in this office.

In testimony whereof, I have hereunto set my hand, and affixed the great seal of the state, at the capital in Madison, this 30th day of December, 1876.

PETER DOYLE,
Secretary of State.