

1928, except that assessment and tax rolls may be prepared and issued from time to time as provided by this act, during the year 1927 and during the first five months of 1928 for the purpose of certifying for collection assessments of back taxes, and income taxes of persons reporting on fiscal year basis.

SECTION 28. This act shall take effect upon passage and publication.

Approved August 10, 1927.

No. 441, A.]

[Published August 18, 1927.

CHAPTER 540.

AN ACT to create chapter 214 and subsection (1a) of section 20.53 of the statutes, relating to the regulation of the business of making small loans to the masses without bank credit, making an appropriation and providing a penalty.

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

SECTION 1. A new chapter is added to the statutes and a new subsection is added to section 20.53 of the statutes to read:

CHAPTER 214.

214.01 No person, copartnership, or corporation shall engage in the business of making loans of money, credit, goods or things in action in the amount or to the value of three hundred dollars or less, and charge, contract for or receive a greater rate of interest than ten per centum per annum therefor, except as authorized by this chapter and without first obtaining a license from the commissioner of banking, hereinafter called the licensing official.

214.02 Application for such license shall be in writing and shall contain the full name and address, both of the residence and place of business, of the applicant; and if the applicant is a copartnership, of every member thereof; or if a corporation, of each officer thereof; also the county and municipality, with street and number, if any, where the business is to be conducted. Every such applicant at the time of making such application shall pay to the licensing official the sum of fifty dollars as an annual license fee and shall pay in addition thereto, actual expenses of examinations, provided for in this chapter; provided that if the license is issued for a period of less than twelve months, the license

fee shall be prorated according to the number of months that said license shall run.

214.03 The applicant shall also at the same time file with the licensing official a bond in which the applicant shall be the obligor, in the sum of one thousand dollars, with one or more sureties, whose liability as such sureties shall not exceed the sum of one thousand dollars in the aggregate, to be approved by the licensing official, and said bond shall run to the state of Wisconsin for the use of the state and of any person or persons who may have a cause of action against the obligor of said bond under the provisions of this chapter. Such bonds shall be conditioned that said obligor will conform to and abide by each and every provision of this chapter and will pay to the state and to any such person or persons any and all moneys that may become due or owing to the state or to such person or persons from said obligor under and by virtue of the provisions of this chapter.

214.04 Upon the filing of such application and the approval of said bond and the payment of said fee the licensing official shall issue a license to the applicant to make loans in accordance with the provisions of this chapter for a period which shall expire with the first day of July next following the date of its issuance. Such license shall not be assignable.

214.05 If in the opinion of the licensing official the bond shall at any time appear to be insecure or exhausted or otherwise doubtful, an additional bond in the sum of not more than one thousand dollars satisfactory to the licensing official shall be filed within ten days after notice to the licensee; and upon failure of the obligor to file such additional bond the license shall be revoked by the licensing official.

214.06 The licensing official may, upon notice to the licensee and reasonable opportunity to be heard, revoke such license if the licensee has violated any provision of this chapter; and in case the licensee shall be convicted by a court, of a violation of section 214.13 the licensing official shall revoke such license; and thereafter no license shall be issued to such licensee, nor to the husband or wife of the licensee nor to any copartnership or corporation of which he is a member or officer.

214.07 The license shall be kept conspicuously posted in the place of business of the licensee.

214.08 No person, copartnership or corporation so licensed

shall make any loan provided for by this chapter, under any other name or at any other place of business than that named in the license. Not more than one place of business shall be maintained under the same license, but the licensing official shall issue more than one license to the same licensee upon the payment of an additional license fee and the filing of an additional bond for each license.

214.09 Whenever the licensee shall change his place of business he shall at once give written notice thereof to the licensing official, who shall attach to the license his approval in writing of the change.

214.10 The licensing official, for the purpose of discovering violations of this chapter, may either personally or by any person designated by him, at any time and as often as he may desire, investigate the loans and business of every licensee and of every person, copartnership and corporation by whom or by which any such loan shall be made, whether such person, copartnership or corporation shall act or claim to act as principal, agent or broker, or under or without the authority of this chapter; and for that purpose he, and any person so designated by him, shall have free and immediate access to the office or place of business, books, papers, records, safes and vaults of all such persons, copartnerships and corporations and shall also have authority to examine under oath all persons whomsoever whose testimony he may require relative to such loans or business.

214.11 The licensee shall keep such books and records in his place of business as in the opinion of the licensing official will enable the licensing official to determine whether the provisions of this chapter are being observed. Every such licensee shall preserve the records of final entry used in such business, including cards used in the card system, if any, for a period of at least two years after the making of any loan recorded therein.

214.12 No licensee or other person, copartnership or corporation shall print, publish or distribute, or cause to be printed, published or distributed in any manner whatsoever any written or printed statement with regard to the rates, terms or conditions for the lending of money, credit, goods or things in action in amounts of three hundred dollars, or less, which is false or calculated to deceive.

214.13 Every person, copartnership and corporation licensed hereunder may loan any sum of money not exceeding in amount

the sum of three hundred dollars, and may charge, contract for and receive thereon interest at a rate not to exceed three and one-half per centum per month. Interest shall not be compounded and shall be computed on unpaid balances. In addition to the interest herein provided for, no further or other charge or amount whatsoever for any examination, service, brokerage, commission or other thing or otherwise shall be directly or indirectly charged, contracted for or received, except the lawful fees, if any, actually and necessarily paid out by the licensee to any public officer for filing or recording or releasing in any public office any instrument securing the loan, which fees may be collected when the loan is made or at any time thereafter. No interest or charges in excess of those permitted by this section shall be charged, contracted for or received, and if any such is charged, contracted for or received, the contract of loan shall be void and the licensee shall have no right to collect or receive any principal, interest, or charges whatsoever.

214.14 Every licensee shall:

(a) Deliver to the borrower at the time a loan is made, a statement in the English language showing in clear and distinct terms the amount and date of the loan and of its maturity the nature of the security, if any, for the loan, the name and address of the borrower and of the licensee, and the rate of interest charged. Upon such statement there shall be printed in English a copy of section 214.13.

(b) Give to the borrower a plain and complete receipt for all payments made on account of any such loan at the time such payments are made.

(c) Permit payments of the loan in whole or in part prior to its maturity with interest on such payment to the date thereof.

(d) Upon repayment of the loan in full mark indelibly every paper signed by the borrower with the word "paid" or "cancelled," and release any mortgage, restore any pledge, cancel and return any note, and cancel and return any assignment given by the borrower as security.

214.15 No licensee shall take any confession of judgment or any power of attorney. Nor shall he take any note, promise to pay or security that does not state the actual amount of the loan, the time for which it is made, and the rate of interest charged, nor any instrument in which blanks are left to be filled after execution.

214.16 No licensee shall directly or indirectly charge, contract for or receive any interest or consideration greater than is permitted by law to others than licensees under this chapter, upon the loan, use or forbearance of money, goods, or things in action, or upon the loan, use or sale of credit, of the amount or value of more than three hundred dollars. The foregoing prohibition shall also apply to any licensee who permits any person, as borrower, or as endorser, guarantor or surety for any borrower, or otherwise, to owe directly or contingently or both to the licensee at any time the sum of more than three hundred dollars for principal.

214.17 (1) The payment of three hundred dollars or less in money, credit, goods or things in action as a consideration for any sale, assignment or order for the payment of wages, salary, commissions or other compensation for services, whether earned or to be earned, shall be deemed a loan, within the provisions of this chapter, secured by such assignment, and the amount by which such assigned compensation exceeds such payment shall be deemed interest upon such loan from the date of such payment to the date such compensation is payable. Such loan and such assignment shall be governed by, and subject to the provisions of this chapter.

(2) No assignment of or order for the payment of any salary, wages, commissions or other compensation for services, earned or to be earned, given to secure any such loan shall be valid unless the amount of such loan is paid to the borrower simultaneously with its execution; nor shall any such assignment or order, or any chattel mortgage or other lien on household furniture then in the possession and use of the borrower be valid unless it be in writing signed in person by the borrower; nor, if the borrower is married, unless it be signed in person by both husband and wife; provided that written assent of a spouse shall not be required when husband and wife have been living separate and apart for a period of at least five months prior to such assignment, order, mortgage or lien.

(3) Under any such assignment or order for the payment of future salary, wages, commissions or other compensation for services, given as security for a loan made under this chapter, a sum equal to ten per centum of the borrower's salary, wages, commissions or other compensation for services shall be collectible from the employer of the borrower by the licensee at the time of

each payment of salary, wages, commissions or other compensation for services from the time that a copy of such assignment verified by the oath of the licensee or his agent, together with a similarly verified statement of the amount unpaid upon such loan, is served upon the employer.

214.18 No person, copartnership or corporation, except as authorized by this chapter, shall directly or indirectly charge, contract for or receive any interest or consideration greater than ten per centum per annum upon the loan, use or forbearance of money, goods or things in action, or upon the loan, use or sale of credit, of the amount or value of three hundred dollars or less. The foregoing prohibition shall apply to any person who as security for any such loan, use or forbearance of money, goods or things in action, or for any such loan, use or sale of credit, makes a pretended purchase of property from any person and permits the owner or pledger to retain the possession thereof, or who by any device or pretense of charging for his services or otherwise seeks to obtain a greater compensation than is authorized by this chapter. No loan for which a greater rate of interest or charge than is allowed by this chapter has been contracted for or received, wherever made, shall be enforced in this state, and every person in any wise participating therein in this state shall be subject to the provisions of this chapter.

214.19 Any person, copartnership or corporation and the several officers and employes thereof who shall violate any of the provisions of sections 214.01, 214.08, 214.12, 214.13 or 214.18 shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than five hundred dollars or by imprisonment in a county jail for not more than six months or by both such fine and imprisonment.

214.20 The licensing official shall have full power to employ such examiners or clerks to assist the licensing official as may be from time to time found by him to be necessary and fix their compensation.

214.21 This chapter shall not apply to any person, copartnership or corporation doing business under any law of this state or of the United States relating to banks, trust companies, credit unions, building and loan associations, or licensed pawnbrokers.

214.22 If any section, subsection, sentence, clause or phrase of this chapter is for any reason held to be unconstitutional such decision shall not affect the validity of the remaining portions of

this chapter. Any section of the Wisconsin statutes inconsistent with the provisions of this chapter is hereby repealed

(20.53) (1a) All moneys collected or received by each and every person for or on behalf of the state banking department pursuant to the provisions of chapter 214 of the statutes, shall be paid within one week into the state treasury and are appropriated to the state banking department for the purposes of carrying out the provisions of said chapter.

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

Deposited without approval August 13, 1927.

No. 619, S.]

[Published August 18, 1927.

CHAPTER 541.

AN ACT to correct and reconcile conflicts in the acts of 1927; to expressly repeal statutory provisions which were repealed by implication, merely, or which were enacted through mistake or inadvertence; to re-enact statutory provisions which were repealed through mistake or inadvertence or unintended implication; to renumber sections of the statutes which were improperly numbered and classified; to correct mistaken statutory references and to correct clerical and typographical errors, all for the purpose of expressing with greater certainty and clearness the intent of this legislature.

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

SECTION 1. Subsection (2) of section 20.575, created by section 3 of Chapter 494, Laws of 1927, is amended by inserting the number "140.05" in place of the number "140.09."

SECTION 2. Subsection (2) of section 21.04 of the statutes is hereby re-enacted in the words in which it is printed in the Wisconsin Statutes of 1925.

SECTION 3. The last sentence of subsection (3) of section 26.12 of the statutes, created by Chapter 29, Laws of 1927, is amended to read: (26.12) (3) The provisions of chapter 16 of the statutes shall not apply to appointments under *this* subsection * * * and subsection (1) of section 26.13. * * *

SECTION 4. Subsection (4) of section 29.18, as amended by Chapter 472, Laws 1927, is amended to read: (29.18) (4) For