

No. 624, A.]

[Published June 16, 1933.]

CHAPTER 259.

AN ACT to repeal sections 222.01 and 222.03; to renumber section 222.02 to be 222.03 and subsection (1) of section 221.21 to be paragraph (a) of said subsection; to create new sections 222.01 and 222.02, sections 222.021 to 222.025 and paragraph (b) of subsection (1) of section 222.21; and to amend subsection (3) of section 222.12 and paragraph (a) of subsection (1) of section 222.21 of the statutes, relating to savings banks.

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

SECTION 1. Sections 222.01 and 222.03 of the statutes are repealed.

SECTION 2. Section 222.02 is renumbered to be section 222.03 and subsection (1) of section 222.21 is renumbered to be paragraph (a) of said subsection.

SECTION 3. Seven new sections are added to the statutes and a new paragraph is added to subsection (1) of section 222.21 of the statutes to be numbered and to read: 222.01 SAVINGS BANKS. Any number of persons, not less than nine nor more than fifty, may associate for the purpose of organizing a corporation to be known as a savings bank. Such persons shall be citizens of the United States and at least three-fourths of them shall be residents of the county wherein the proposed savings bank is to be located. They shall subscribe and acknowledge an organization agreement in duplicate, which shall specifically state:

(1) The name by which the savings bank is to be known.

(2) The place where its business is to be transacted.

(3) The name, occupation, residence and post-office address of each incorporator.

(4) The sums which each incorporator will contribute in cash to the initial guaranty fund and the expense fund, respectively, as provided in 222.021 and 222.022.

(5) A declaration that each incorporator will accept the responsibilities and faithfully discharge the duties of a trustee of the savings bank, and is free from the disqualification specified in section 222.07.

222.02 CORPORATE EXISTENCE; CONDITIONS FOR COMMENCING BUSINESS. Upon the filing of such articles of agreement with the commissioner of banking, the corporate existence of the savings

bank shall begin, and it may exercise all the powers necessary to the completion of its organization. But the savings bank shall transact no business other than that relating to its organization until:

(1) The incorporators shall have made the deposit of the initial guaranty fund required by section 222.021, and, if the commissioner of banking shall so require, shall have entered into the agreement or undertaking with the commissioner and shall have filed the surety bond securing the same, as prescribed in said section.

(2) The incorporators shall have made the deposit of the expense fund required by section 222.022, and, if the commissioner shall so require, shall have entered into an agreement or undertaking with the commissioner and shall have filed the surety bond securing the same, as prescribed in said section.

(3) It shall have transmitted to the commissioner the name, residence and post-office address of each officer of the corporation.

(4) The commissioner shall have duly issued to it a certificate of authority under his hand and official seal that such bank is authorized to commence business.

222.021 INITIAL GUARANTY FUND; AGREEMENT OF INCORPORATORS TO CONTRIBUTE; BOND. Before any savings bank hereafter organized shall be authorized to do business in this state, its incorporators shall create a guaranty fund for the protection of its depositors against losses upon its investments whether arising from depreciation in the market value of its securities or otherwise.

(1) Such guaranty fund shall consist of payments in cash made by the original incorporators and of sums credited thereto from the earnings of the savings bank as hereinafter required.

(2) The incorporators shall deposit to the credit of such savings bank in cash as an initial guaranty fund at least five thousand dollars. They shall also enter into such agreement or undertaking with the commissioner of banking as trustee for the depositors with the savings bank as he may require, to make such further contributions in cash to the guaranty fund of such savings bank as may be necessary to maintain the solvency of the savings bank and to render it safe for it to continue business. Such agreement or undertaking to an amount approved by the commissioner shall be secured by a surety bond executed by a domestic or foreign corporation authorized to transact within the state the business of surety, and shall be filed in the office of the banking department.

Such agreement or undertaking and such surety bond need not be made or furnished unless the commissioner shall require the same.

(3) Prior to the liquidation of any savings bank, such guaranty fund shall not be in any manner encroached upon, except for losses and the repayment of contributions made by incorporators or trustees as hereinafter provided, until it exceeds ten per centum of the amount due depositors.

(4) The amounts contributed to such guaranty fund by the incorporators or trustees shall not constitute a liability of the savings bank, except as hereinafter provided, and any losses sustained by the savings bank in excess of that portion of the guaranty fund created from earnings may be charged against such contributions pro rata.

222.022 EXPENSE FUND; AGREEMENT OF INCORPORATORS TO CONTRIBUTE; BOND. (1) Before any savings bank hereafter organized shall be authorized to do business in this state, its incorporators shall create an expense fund from which the expense of organizing such savings bank and its operating expenses may be paid until such time as its earnings are sufficient to pay its operating expenses in addition to such dividends as may be declared and credited to its depositors from its earnings.

(2) The incorporators shall deposit to the credit of such savings bank in cash as an expense fund the sum of five thousand dollars. They shall also enter into such an agreement or undertaking with the commissioner of banking as trustee for the depositors with the savings bank as he may require, to make such further contributions in cash to the expense fund of such savings bank as may be necessary to pay its operating expenses until such time as it can pay them from its earnings in addition to such dividends as may be declared and credited to its depositors. Such agreement, or undertaking, to an amount approved by the commissioner shall be secured by a surety bond executed by a domestic or foreign corporation authorized to transact within this state the business of surety, and shall be filed in the office of the banking department. Such agreement or undertaking and such surety bond need not be made or furnished unless the commissioner shall require the same.

(3) The amounts contributed to the expense fund of such savings bank by the incorporators or trustees shall not constitute a liability of such savings bank, except as hereinafter provided.

222.023 RETURN OF INITIAL GUARANTY FUND AND EXPENSE FUND. (1) Contributions made by the incorporators or trustees to the guaranty fund, plus interest thereon from the date of contribution thereof at six per cent per annum not compounded, may be repaid pro rata to the contributors from that portion of the guaranty fund created from earnings, whenever such payments will not reduce the guaranty fund below five per centum of the total amount due depositors. In case of the liquidation of the savings bank before such contributions to the expense fund have been repaid, any contributions to the expense fund remaining unexpended after the payment of the expenses of liquidation may be repaid to the contributors pro rata.

(2) Whenever the contributions of the incorporators or trustees to the expense fund of such savings bank have been returned to them, the contributions made to the guaranty fund, plus interest thereon from the date of contribution thereof at six per cent per annum not compounded, by incorporators or trustees may be returned to them pro rata, from that portion of the guaranty fund created from the earnings of the savings bank, provided that such repayments will not reduce the earned portion of the guaranty fund of such savings bank below five per centum of the amount due depositors. In case of the liquidation of the savings bank before such contributions to the guaranty fund have been repaid, any portion of such contribution not needed for the payment of the expenses of liquidation and the payment of depositors in full and the repayment of contributions to the expense fund may be repaid to the contributors pro rata.

222.024 CERTIFICATE. When the incorporators have fully complied with sections 222.01, 222.021 and 222.022 the commissioner of banking shall forthwith give to such savings bank a certificate of authority under his hand and official seal that such bank is authorized to commence business.

222.025 PROVISIONS NOT TO APPLY TO APPLICATIONS FILED WITH COMMISSIONER OF BANKING PRIOR TO JANUARY 1, 1933. The preceding provisions of this chapter shall not apply to an application filed with the commissioner of banking by the filing of articles of incorporation prior to January 1, 1933, under section 222.03.

(222.21) (1) (b) In addition to the foregoing general powers, such savings bank may borrow money in an emergency upon such terms and for such periods as the board of trustees or directors

shall determine, for the purpose of repaying depositors and to pledge or hypothecate securities as collateral for loans so obtained.

SECTION 4. Subsection (3) of section 222.12 and paragraph (a) of subsection (1) of section 222.21 of the statutes, as renumbered, are amended to read: (222.12) (3) The sums deposited with any mutual savings bank, together with any dividends credited thereto, shall be repaid to the depositors thereof respectively, or to their legal representatives, after demand, in such manner and at such times, and under such regulations, as the board of trustees shall prescribe, subject to the provisions of this section. Such regulations shall be posted in a conspicuous place in the room where the business of such mutual savings bank shall be transacted, and shall be printed in the pass books or other evidences of deposit furnished by it, and shall be evidence between such mutual savings bank and the depositors holding the same, of the terms upon which the deposits therein acknowledged are made. The mutual savings bank may at any time by a resolution of its board of trustees require a notice of ninety days before repaying deposits, in which event no deposit shall be due or payable until ninety days after notice of intention to withdraw the same shall have been personally given by the depositor, and such deposits if not withdrawn within fifteen days after the expiration of the ninety days' notice, shall not then be due or payable under such notice or by reason thereof. Nothing herein contained, however, shall, before January 1, 1932, be construed as impairing contracts heretofore made between mutual savings banks and their depositors as to notice of withdrawal, or as prohibiting any mutual savings bank from making payments of deposits before the expiration of said ninety days' notice. But no mutual savings bank shall hereafter agree with its depositors in advance to waive said ninety days' notice nor shall it in the case of deposits hereafter made require a longer notice than the ninety days aforesaid. *If at any time, in the opinion of the banking commissioner, any mutual savings bank is solvent and doing business according to law, and that it is necessary in order to prevent a run on such bank, such mutual savings bank, with the written consent of said banking commissioner, may make any and all changes deemed necessary in regard to the time and the amount of such withdrawal for which notice may be given by the depositors for the withdrawal of their deposits, and also extend the time that notices shall be given by the depositors, for the withdrawal of their deposits, and also extend*

the time that notices shall be given by the depositors, for the withdrawal of any and all deposits. But a mutual savings bank may make contracts with its depositors to repay deposits of fixed sums made at regular intervals at a given time with all accumulations of dividends thereon, or to repay said deposits when together with dividends credited thereon they shall equal a specific sum and may issue as evidence of such contract a certificate setting forth the given sum to which such deposits shall accumulate or the given time during which the deposits and the dividends thereon shall be accumulated. Upon the maturity of such contract the bank may, at its option, pay the amount due from it pursuant to such contract, by check. Such contract shall not provide for any forfeiture of the sums deposited in the event of the discontinuance of the regular payments therein provided, but may require the depositor, in that event, to forfeit dividends credited or accrued prior to such discontinuance.

(222.21) (1) (a) Every mutual savings bank formed hereunder shall possess the powers and be subject to the provisions of the general laws relating to corporations, so far as the same may be applicable, and shall be subject to all of the provisions of * * * sections 220.04, 220.05, 220.07, 220.08 and 220.10 relating to fees, reports, examinations, liquidations, powers, liabilities and forfeitures, so far as the same may be applicable, except as herein provided. Any corporation now organized and doing business as a mutual savings bank shall continue business under this chapter and shall be subject to all of its provisions.

SECTION 5. This act shall take effect upon passage and publication.

Approved June 15, 1933.

No. 364, S.]

[Published June 16, 1933.

CHAPTER 260.

AN ACT to appropriate a sum of money therein named to Joint School District No. 1 of the city of Black River Falls and the town of Albion, Jackson county, to compensate it for state aid which was withheld because of failure to file reports.

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

SECTION 1. There is appropriated from the general fund to be taken out of the appropriation for state aid for teacher training