

No. 203, S.]

[Published June 20, 1941.]

CHAPTER 252.

AN ACT to create 20.41 (1) (q) of the statutes, relating to a short course agricultural students' dormitory at the state university and making an appropriation.

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

SECTION 1. A new paragraph is added to subsection (1) of section 20.41 of the statutes to read:

(20.41) (1) (q) *Short course agricultural students' dormitory.* On July 1, 1941, \$200,000 for the construction and equipment of a short course agricultural students' dormitory.

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

Approved June 18, 1941.

No. 228, S.]

[Published June 20, 1941.]

CHAPTER 253.

AN ACT to amend 186.02 and 186.09 and to repeal and recreate 186.15 and 186.21 (5) of the statutes, relating to cooperative credit associations and credit unions.

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

SECTION 1. Section 186.02 of the statutes is amended to read:

186.02 Seven or more citizens of this state may organize a credit union by filing with the * * * *banking commission* articles of association in duplicate, stating the name, location, and purpose of the corporation, the par value of its shares, and the names, residences, and occupations of the **incorporators**, and paying a fee of \$5 to the * * * *commission*. A verified copy of the by-laws adopted by the incorporators shall be filed with the articles. If the * * * *commission* shall approve the articles and by-laws, * * * *it* shall return one duplicate original of the articles to the incorporators with * * * *its* approval indorsed thereon, and they shall cause the same to be recorded within 30 days in the office of the register of deeds of

the county in which said corporation is to be located, and the corporation shall have no legal existence until its articles are so left for record. The register of deeds shall forthwith transmit to the * * * *commission* a certificate stating the date when such articles were left for record, and the * * * *commission* shall thereupon issue to the corporation a certificate of incorporation. Approval of the articles and by-laws shall be discretionary with the * * * *commission* * * *. *In the event that the banking commission shall refuse to approve the articles and by-laws and the applicants shall feel aggrieved at such decision, they may appeal to the credit union advisory board created by section 186.21 and the decision of said board shall be final.* Amendments to the articles adopted by a vote of two-thirds of all the members of the corporation, may be filed with the * * * *commission* upon payment of a fee of \$5, and if approved by * * * *it*, shall become effective upon being recorded in the office of the register of deeds in the same manner as the original articles. All amendments to the by-laws shall be filed with the * * * *commission* and shall become operative only when approved by * * * *it*.

SECTION 2. Section 186.09 of the statutes is amended to read:

186.09 The credit committee shall approve every loan or advance made by the corporation, except where application for loan is made by a member of the credit committee, then said application shall be approved by the board of directors. Every application for a loan shall be made in writing and shall state the purpose for which the loan is desired and the security offered, if any. No loan shall be made unless the credit committee is satisfied that it promises to benefit the borrower, nor unless it has received the * * * *majority* approval of * * * *the members of said committee* * * *; but the applicant for a loan may appeal from the decision of the credit committee to the board of directors. All loans exceeding \$50 shall be secured by such collateral as the credit committee shall approve, or shall be guaranteed by one or more persons whose responsibility is acceptable to the credit committee. Whenever the board of directors or the credit committee feels that is for the best interest of the credit union to make loans up to \$100 without collateral, they may do so, with the * * * *majority* approval of the board

of directors or the credit committee. *Whenever the board of directors or the credit committee feels that it is for the best interest of the credit union to make loans up to \$300 without collateral, they may do so with the majority approval of the board of directors or the credit committee provided they have first obtained a certificate of authority to make such loans from the banking commission. The banking commission may in its discretion issue a certificate of authority to any credit union to make loans up to \$300 without collateral and may revoke such certificates of authority at any time after issuance when the banking commission in its discretion deems that such credit union is not in a position to make this type of loan.* Loans of this type shall not be made unless the borrower's financial rating or assets are such as to assure the repayment of said loans. A borrower may repay the whole or any part of his loan at any time. An interest charge on loans at a rate of one per cent per month on unpaid balances shall not be held to be usurious.

SECTION 3. Section 186.15 of the statutes is repealed and recreated to read:

186.15 AUDITING. Immediately after the annual meeting of the members and election of officers, the president shall appoint, subject to confirmation by the board of directors at their next following meeting, an auditing committee of 3, one of which committee shall be chosen from the board of directors. This auditing committee shall have full authority to examine any or all records at any time they desire and it shall be the duty of said committee to make thorough audits of cash on hand and in the bank, receipts, disbursements, income, expenses, assets and liabilities, at least bi-monthly. Said committee shall report its activities and recommendations to the board of directors periodically and to the membership at the annual meeting. The complete report of this committee shall be read at the annual meeting and shall be filed and preserved with the records of the corporation.

SECTION 4. Subsection (5) of section 186.21 of the statutes is repealed and recreated to read:

(186.21) (5) For the purpose of assisting in the organization and development of credit unions and to advise the department in the performance of its duties under this chapter, the banking commission shall create an advisory board, consisting

of 5 members who have had actual experience in the operation of a credit union, which shall be called the credit union advisory board. The members of the present credit union advisory committee shall continue to serve their respective terms. Thereafter the members of the credit union advisory board shall be appointed for a term of 3 years and each shall hold said office for the term to which he was appointed and until his successor shall be appointed and qualified. A member of the advisory board who has served one 3-year term shall not be eligible for a consecutive appointment to said board. The credit union advisory board shall meet at least once quarterly. Special meetings may be called either by the chairman of the credit union advisory board or the banking commission. The chairman of the credit union advisory board shall be elected annually by the members of said board. The banking commission shall confer with the said board from time to time relative to policies and problems affecting credit unions and the banking commission may create advisory committees composed of representatives of all interested groups. The members of the credit union advisory board shall receive no compensation, but shall be reimbursed for their actual and necessary expenses. A detailed record of the minutes of each advisory board meeting shall be kept and the decision of said credit union advisory board with reference to all orders issued, or policies established by the banking commission pursuant to chapter 186 shall be final.

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

Approved June 18, 1941.

No. 247, S.]

[Published June 20, 1941.

CHAPTER 254.

AN ACT to amend 193.27 of the statutes, relating to toilet room in interurban cars.

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

SECTION 1. Section 193.27 of the statutes is amended to read:

193.27 INTERURBAN CARS; DRINKING TANK;