No. 142, S.] [Published May 28, 1953.

CHAPTER 181

AN ACT to amend 221.04 (8) (b), 221.29 (1) (d) and (e) and 221.33 (1) of the statutes, relating to banking practices of state banks and trust fund investments.

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

SECTION 1. 221.04 (8) (b) of the statutes is amended to read:

221.04 (8) (b) Such contributions in excess of one-fourth of one per cent of the common stock and surplus as of January 1 of such year may be made in any one year provided such excess contribution is approved in advance by stockholders owning not less than * * * *66-2/3* per cent of the outstanding common stock.

SECTION 2. 221.29 (1) (d) and (e) of the statutes are amended to read:

221.29 (1) (d) Such liabilities as are * * * in the form of notes may exceed the limitation stated in par. (a), provided that the excess shall not exceed 30 per cent of capital and surplus in addition to that stated in par. (a), and provided such excess is secured or

covered by guarantees or by commitments or agreements to take over, or to purchase the same made by any federal reserve bank, or by the reconstruction finance corporation, or by the war department, the navy department or the maritime commission of the U. S.

(e) Such liabilities as are * * * in the form of notes or bonds secured by mortgage or trust deeds insured by the federal housing administrator, may exceed the limitation stated in par. (a), provided that the excess shall not exceed 20 per cent of capital and surplus in addition to that stated in par. (a).

SECTION 3. 221.33 (1) of the statutes is amended to read:

221.33 (1) No bank or * * * bank officer shall give preference to any depositor or creditor by pledging the assets of the bank as collateral security; provided, that a state bank may deposit with the treasurer of the U. S., *or in the custody of federal reserve banks or branches thereof designated by the judges of the several courts of bankruptcy,* so much of its assets not exceeding its capital and surplus as may be necessary under the act of congress approved June 25, 1910, and all amendments thereof, to qualify as a depository for postal savings funds * * *, other government deposits *and as depository for bankrupt estates, debtors, corporations and railroads under reorganization under U. S. bankruptcy laws, and amendments thereto, and receivers, trustees and other officers thereof appointed by any U. S. district court or by any bankruptcy court of the U. S. and that in acting as such depository a state bank shall have all the rights and privileges granted to banking institutions under section 61 of the U. S. bankruptcy act, and amendments thereto;* and provided, that any bank may borrow money for temporary purposes, and may pledge assets of the bank not exceeding 50 per cent in excess of the amount borrowed as collateral security therefor; provided, that any state bank so authorized by the commissioner of banks, who shall comply with s. 223.02, shall be exempt from furnishing the bond specified in s. 221.04 (6), and shall be entitled to the same exemption as to making and filing any oath or giving any bond or security as is conferred on trust company banks by s. 223.03 (8), but it shall be unlawful for any bank to borrow money unless a resolution stating the amount, naming the bank from which it shall be borrowed, and designating 2 officers to sign the promissory note evidencing such debt, shall have been duly adopted by the board of directors and spread of record in the minute book. Until July 1, * * * *1957,* a bank may pledge assets in an amount not to exceed 4 times the amount of its capital and surplus to the federal reserve bank (as fiscal agent of the U. S.) of the federal reserve district in which it is located, except that no such pledge shall be made in excess of the amount of its capital and surplus without the consent of the commissioner of banks. Provided, that whenever it shall appear that a bank is borrowing habitually for the purpose of reloaning, the commissioner may require such bank to repay money so borrowed. Nothing herein contained shall prevent any bank from rediscounting in good faith and indorsing any of its negotiable notes if the same shall have been authorized by a recorded resolution of the board of directors.

Approved May 22, 1953.