

State of Wisconsin



2005 Senate Bill 511

Date of enactment: **March 10, 2006**
Date of publication*: **March 24, 2006**

2005 WISCONSIN ACT 134

AN ACT *to repeal* 186.35; and *to amend* 34.07, 34.08 (2), 186.082 (1) (b), 186.082 (2) (f), 186.086 (1) (b), 186.093 (1), 186.093 (2), 186.314 (4), 231.17, 445.125 (1) (b) 1. and 880.04 (2) (a) of the statutes; **relating to:** eliminating the Wisconsin credit union savings insurance corporation (suggested as remedial legislation by the Department of Financial Institutions).

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

LAW REVISION COMMITTEE PREFATORY NOTE: This bill is a remedial legislation proposal, requested by the department of financial institutions and introduced by the law revision committee under s. 13.83 (1) (c) 4., stats. After careful consideration of the various provisions of the bill, the law revision committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

SECTION 1. 34.07 of the statutes is amended to read:

34.07 Security. A surety bond or other security may be required of or given by any public depository for any public deposits that exceed the amount of deposit insurance provided by an agency of the United States ~~or by the Wisconsin credit union savings insurance corporation~~ and the coverage provided under s. 34.08 (2).

SECTION 2. 34.08 (2) of the statutes is amended to read:

34.08 (2) Payments under sub. (1) shall be made in the order in which satisfactory proofs of loss are received by the division of banking. The payment made to any public depositor for all losses of the public depositor in any individual public depository may not exceed \$400,000 above the amount of deposit insurance provided by an agency of the United States ~~or by the Wisconsin~~

~~credit union savings insurance corporation~~ at the public depository which ~~that~~ experienced the loss. Upon a satisfactory proof of loss, the division of banking shall direct the department of administration to draw its warrant payable from the appropriation under s. 20.144 (1) (a) and the secretary of administration shall pay the warrant under s. 16.401 (4) in favor of the public depositor that has submitted the proof of loss.

SECTION 3. 186.082 (1) (b) of the statutes is amended to read:

186.082 (1) (b) The Wisconsin credit union savings insurance corporation organized under s. 186.35, 2003 stats.

SECTION 4. 186.082 (2) (f) of the statutes is amended to read:

186.082 (2) (f) A natural person who ~~is or~~ was a trustee of the Wisconsin credit union savings insurance corporation organized under s. 186.35, 2003 stats.

SECTION 5. 186.086 (1) (b) of the statutes is amended to read:

186.086 (1) (b) If the credit union was incorporated before June 13, 1987, by an amendment to the articles of incorporation which becomes effective on or after June 13, 1987, as provided ~~in s. 186.02 (4) (a) or~~ under s.

* Section 991.11, WISCONSIN STATUTES 2003-04 : Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

186.35 (1), ~~on or after June 13, 1987~~ 2003 stats., or s. 186.02 (4) (a).

SECTION 6. 186.093 (1) of the statutes is amended to read:

186.093 (1) "Credit union" means a cooperative, nonprofit corporation incorporated under s. 186.02 and the Wisconsin credit union savings insurance corporation organized under s. ~~186.35, 2003 stats.~~

SECTION 7. 186.093 (2) of the statutes is amended to read:

186.093 (2) "Director or officer" means a natural person who serves as a director or officer of a credit union, a member of a credit union's credit committee, or a natural person who was a trustee of the Wisconsin credit union savings insurance corporation organized under s. 186.35, 2003 stats.

SECTION 8. 186.314 (4) of the statutes is amended to read:

186.314 (4) Upon ceasing to be a state credit union, the credit union shall no longer be subject to this chapter. The successor federal credit union shall be vested with all the assets and shall continue to be responsible for all of the obligations of the state credit union, ~~including annual and special assessments levied under s. 186.35 (5) (d) prior to the date a copy of the federal credit union charter is filed with the office of credit unions,~~ to the same extent as though the conversion had not taken place.

SECTION 9. 186.35 of the statutes is repealed.

SECTION 10. 231.17 of the statutes is amended to read:

231.17 Investment of funds. The authority may invest any funds in bonds, notes, certificates of indebtedness, treasury bills, or other securities constituting direct obligations of, or obligations the principal and interest of which are guaranteed by, the United States; in those certificates of deposit or time deposits constituting direct obligations of any bank that are insured by the federal deposit insurance corporation; in certificates of deposit constituting direct obligations of any credit union that are insured by ~~the Wisconsin credit union savings insurance corporation~~ or the national board, as defined in s. 186.01 (3m); in certificates of deposit constituting direct obligations of any savings and loan association or savings bank

that are insured by the federal deposit insurance corporation; in short-term discount obligations of the federal national mortgage association; or in any of the investments provided under s. 66.0603 (1m) (a). Any such securities may be purchased at the offering or market price thereof at the time of such purchase.

SECTION 11. 445.125 (1) (b) 1. of the statutes is amended to read:

445.125 (1) (b) 1. All trust funds under par. (a) shall be deposited with a bank or trust company within the state whose deposits are insured by the federal deposit insurance corporation, deposited in a savings and loan association or savings bank within the state whose deposits are insured by the federal deposit insurance corporation, or invested in a credit union within the state whose savings are insured by the national board, as defined in s. 186.01 (3m), ~~or by the Wisconsin credit union savings insurance corporation~~ and shall be held in a separate account in the name of the depositor, in trust for the beneficiary until the trust fund is released under either of the conditions provided in par. (a) 1.

SECTION 12. 880.04 (2) (a) of the statutes is amended to read:

880.04 (2) (a) Deposit in a savings account in a bank, the payment of whose accounts in cash immediately upon default of the bank are insured by the federal deposit insurance corporation; deposit in a savings account in a savings bank or a savings and loan association that has its deposits insured by the federal deposit insurance corporation; deposit in a savings account in a credit union having its deposits guaranteed by ~~the Wisconsin credit union savings insurance corporation~~ or by the national board, as defined in s. 186.01 (3m); or invest in interest-bearing obligations of the United States. The fee for the clerk's services in depositing and disbursing the funds under this paragraph is prescribed in s. 814.61 (12) (a).

NOTE: Current law provides for the organization and operation of the Wisconsin Credit Union Savings Insurance Corporation. The board was organized to insure the deposit accounts of a credit union. The deposit accounts of all Wisconsin credit unions, however, are currently insured through the national credit union share insurance fund. The Wisconsin Credit Union Savings Insurance Corporation no longer exists. SECTIONS 1 through 12 delete references to the Wisconsin Credit Union Savings Insurance Corporation.