SENATE FILE NO. SF0005

Banking revisions.

Sponsored by: Joint Minerals, Business & Economic Development Interim Committee

A BILL

for

AN ACT relating to banks, banking and finance; authorizing various fees to be established by rule and regulation; increasing the number of deputy commissioners the state banking commissioner may employ; increasing minimum capital stock requirements for organization of banks; modifying requirements concerning bank director oaths and sworn financial statements; increasing the minimum value at which certain bank acquired property must be appraised by a certified or licensed real estate appraiser; modifying indebtedness restrictions; modifying requirements related to amendments to articles of incorporation; modifying and clarifying requirements related to formation of trust companies; permitting an out-of-state trust company to operate a trust service office in this state as specified; modifying provisions related to limited liability companies; making conforming amendments; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 13-1-502(m), 13-1-603(a) and by creating a new subsection (d), 13-2-208, 13-2-210(b), 13-2-212(c), 13-2-301(a), 13-2-401, 13-2-702(b)(intro), 13-2-803, 13-2-805(a), 13-3-201(e), 13-3-204(b)(intro), 13-3-402(a), 13-3-702(a), 13-4-101(a), 13-4-102(a), 13-4-104(b), 13-5-102, 13-5-103(b), 13-5-116(b), 13-5-117(a), 13-5-209(b), 13-5-217(b), 13-5-219 by creating a new subsection (c), 13-8-103(a), 13-8-105(a), 13-8-107, 13-9-309(a)(i), 17-29-102(a) by creating a new paragraph (xxiv), 17-29-104(d), 17-29-1010(a) and 17-29-1012 are amended to read:

13-1-502. Remote electronic terminals.

(m) Each remote electronic terminal operated in this state shall be registered with the commissioner. The banking commissioner may impose an annual fee ~~of twenty-five dollars ($25.00)~~ established by rule and regulation of the commissioner for the registration of each remote electronic terminal.

13-1-603. State banking commissioner; powers and duties.

(a) The commissioner shall administer the laws and regulations governing the organization, operation, examination, reorganization or dissolution of banks in Wyoming. The commissioner is directly responsible to and subject to the direction of the director. The commissioner may employ ~~a~~ one (1) or more deputy ~~commissioner~~ commissioners, who, in the absence or disability of the commissioner, shall exercise all powers of the commissioner.

(d) The commissioner shall establish any fee by rule and regulation if this act authorizes the fee to be established by rule and regulation of the commissioner. The fee shall be established in accordance with the Wyoming Administrative Procedure Act and shall be set in an amount to ensure that, to the extent practicable, the total amount generated from the fee approximates the direct and indirect costs incurred by the commissioner in carrying out his duties as a result of the submission or supervisory activity for which a fee is authorized.

13-2-208. Application filing fee.

The application filed with the state banking commissioner shall be accompanied by a fee ~~of fifteen thousand dollars ($15,000.00)~~ established by rule and regulation of the state banking commissioner to cover the expense of the investigation by the state banking commissioner, the expense of the public hearing and other related expenses. The fee shall be deposited by the state banking commissioner with the state treasurer into the financial institutions administration account. Expenditures shall be made from the account by warrants drawn by the state auditor, upon vouchers issued and signed by the director or commissioner. Funds from the account shall be expended only to carry out the duties of the commissioner and the state banking board under this article and for chartering trust companies under chapter 5 of this title. If an application for a financial institution charter is withdrawn by the applicant at any time prior to the hearing on the application, the statutory application filing fee, less the amount of any expense authorized above and actually incurred, shall be refunded to the applicant. If the application expenses are less than ~~fifteen thousand dollars ($15,000.00)~~ the application fee collected the unexpended amount shall remain within the account.

13-2-210. Emergency charters; fees.

(b) The application fee for an emergency charter ~~is four thousand dollars ($4,000.00)~~ shall be established by rule and regulation of the state banking commissioner. The fee shall be deposited by the state banking commissioner with the state treasurer and credited to the financial institutions administration account. Expenditures shall be made from the account by warrants drawn by the state auditor, upon vouchers issued and signed by the director or commissioner. Funds from the account shall be expended to carry out the duties of the commissioner or the state banking board.

13-2-212. Approval or disapproval of application; criteria for approval; action upon application; interim bank charter; fee.

(c) The board may waive the public hearing required under W.S. 13-2-207 if the application is for an interim bank charter to be used as a vehicle for merger with an existing bank which is currently serving the public need and convenience of the community, operating profitably, adequately capitalized, has officers and directors of proven ability and is to be chartered solely for the purpose of facilitating the merger and the change in ownership of the existing bank in accordance with W.S. 13-4-108. The application fee for an interim bank charter for which a public hearing is waived ~~is four thousand dollars ($4,000.00)~~ shall be established by rule and regulation of the commissioner. The fee shall be deposited by the state banking commissioner with the state treasurer and credited to the financial institutions administration account. Expenditures shall be made from the account by warrants drawn by the state auditor, upon vouchers issued and signed by the director or commissioner. Funds from the account shall be expended only to carry out the duties of the commissioner or the state banking board.

13-2-301. Requirements as to capital.

(a) The capital stock of each bank organized under this act shall be subscribed for as fully paid stock. No bank shall organize with a capital stock less than ~~five hundred thousand dollars ($500,000.00)~~ five million dollars ($5,000,000.00).

13-2-401. Authority to manage banks; qualifications.

The affairs of a bank shall be managed by not less than five (5) directors. Shareholders or the board of directors if provided by the articles of incorporation may adopt and amend bylaws for the management of the bank. Each director shall take an oath that he will faithfully and diligently perform the duties of his office and will not violate or knowingly permit the violation of any of the laws of this state relating to the banking business. Within thirty (30) days after being elected or appointed each director of a bank shall ~~file with the state banking commissioner~~ sign the oath required by this section ~~and~~ on a form prescribed by the commissioner and it shall be part of the record of the meeting and included in the bank's minutes. Within thirty (30) days after initially being elected or appointed each director of a bank shall file with the commissioner a sworn financial statement on a form prescribed by the state banking commissioner.

13-2-702. Authorization; application; fee; activities; examination; criteria.

(b) All applications for establishing and operating a branch shall be filed with the commissioner and be accompanied by a filing fee established by rule ~~by~~ and regulation of the commissioner.~~, but not more than two thousand five hundred dollars ($2,500.00).~~ The application shall be signed by the chief executive officer of the applicant bank and contain and be accompanied by the following information:

13-2-803. Authority of state banks to establish interstate branches.

With the prior approval of the commissioner, a Wyoming state bank may establish, maintain and operate one (1) or more branches in a state other than Wyoming. Not later than the date on which the required application for the establishment of a branch is filed with the responsible federal bank supervisory agency, the applicant Wyoming state bank shall file an application on a form prescribed by the commissioner and pay the fee ~~prescribed by~~ established pursuant to W.S. 13-2-702(b). The applicant shall also comply with the applicable provisions of W.S. 13-4-101 through 13-4-114.

13-2-805. Notice and filing requirements; license fee.

(a) Any out-of-state bank that will be the resulting bank pursuant to an interstate merger transaction involving a Wyoming bank shall notify the commissioner of the proposed merger not later than the date on which it files an application for an interstate merger transaction with the responsible federal bank supervisory agency, and shall submit a copy of that application to the commissioner together with a filing fee~~, if any, not exceeding four~~

~~thousand five hundred dollars ($4,500.00), as required by the commissioner~~ established by rule and regulation of the commissioner. Except as prohibited by federal law, any Wyoming state bank which is a party to the interstate merger transaction shall comply with the applicable provisions of W.S. 13-4-101 through 13-4-114 and with other applicable state and federal laws. Any out-of-state bank which will be the resulting bank in an interstate merger transaction shall provide satisfactory evidence to the commissioner of compliance with applicable requirements of W.S. 17-16-1503, 17-16-1506 and 17-16-1507.

13-3-201. Acquisition of real estate.

(e) Any appraisal required under subsection (b) of this section for property which is carried on the bank's books at a value equal to or exceeding ~~fifty thousand dollars ($50,000.00)~~ two hundred fifty thousand dollars ($250,000.00) shall be conducted by a real estate appraiser certified or licensed by the state in which the property is located, who is not an officer or director of the bank and whose reports are acceptable to the state banking commissioner.

13-3-204. Operating subsidiaries; application; fee; new activities.

(b) The bank shall file an application for permission to operate a subsidiary with the commissioner, together with an application fee ~~of seven hundred dollars ($700.00)~~ established by rule and regulation of the commissioner. The fee shall be deposited as provided in W.S. 13-2-210(b) and may be expended as provided in that subsection. The application shall include:

13-3-402. Individual indebtedness limitations; generally.

(a) Except as otherwise provided, no bank shall permit any person, firm, partnership, association or corporation to become indebted at ~~any time~~ origination to the bank in an amount exceeding twenty percent (20%) of the amount of the capital stock of the bank actually paid in and unimpaired plus twenty percent (20%) of its unimpaired surplus fund plus twenty percent (20%) of its unimpaired undivided profits.

13-3-702. Inspection of banks; fees.

(a) Every bank is subject to the inspection of the state banking commissioner. The state banking commissioner or a duly appointed examiner shall visit and examine each bank as often as the commissioner deems necessary and at least as frequently as required by the federal deposit insurance corporation, with or without previous notice to the officers of or anyone interested in the bank. The state banking commissioner or a duly appointed examiner shall make a complete and careful examination of the condition and resources of the bank, the mode of managing bank affairs and conducting its business, the action of bank officers and directors in the investment and disposition of bank funds, the safety and prudence of bank management, the security afforded to those by whom bank engagements are held, whether the requirements of this act are being complied with and such other matters as the state banking commissioner may prescribe. If the state banking commissioner examines a bank more than twice in any calendar year, the bank shall pay to the state banking commissioner an additional fee ~~of fifty dollars ($50.00)~~

~~per examiner per day and actual expenses of each examiner~~ established by rule and regulation of the commissioner.

13-4-101. Change in place of business.

(a) Any bank may apply in writing to the state banking commissioner for permission to change its place of business to any other municipality in the state. The application shall be accompanied by a fee ~~of two thousand five hundred dollars ($2,500.00)~~ established by rule and regulation of the commissioner and shall state the reasons for the proposed change, be signed by a majority of its board of directors and accompanied by the written assent to the application by the stockholders owning at least two-thirds (2/3) of its stock. The application fee shall be deposited by the state banking commissioner with the state treasurer and credited to the financial institutions administration account. Expenditures shall be made from the account by warrants drawn by the state auditor, upon vouchers issued and signed by the director or commissioner. Funds from the account shall be expended only to carry out the duties of the commissioner or the state banking board.

13-4-102. Amendment to articles of incorporation.

(a) A bank may amend its articles of incorporation pursuant to the requirements of W.S. 17-16-1001 through 17-16-1009. The articles of amendment shall be executed in triplicate with ~~the cashier or assistant cashier~~ an executive officer executing in the place of the corporate secretary. Notice of the shareholders' meeting to vote on a proposed amendment shall be given as provided by the bylaws of the bank.

13-4-104. Merger or conversion into state bank; branch banking by merger or consolidation; application fees.

(b) Any state or national bank that consolidates or merges in accordance with subsection (a) of this section may upon the completion of the consolidation or merger retain, operate and maintain the banking houses or offices of the merged or consolidated entities and provide other services or functions as would be permitted had the consolidation or merger not occurred. When a merger or consolidation application from a state bank results in maintaining the merged banking house or office as a branch, the application for merger shall be accompanied by an application fee ~~of two thousand five hundred dollars ($2,500.00)~~ established by rule and regulation of the state banking commissioner. For each additional bank being merged into the same bank, the application fee shall be increased by ~~one thousand two hundred fifty dollars ($1,250.00)~~ an amount established by rule and regulation of the state banking commissioner. All fees shall be deposited by the state banking commissioner with the state treasurer and credited to the financial institutions administration account. Expenditures shall be made from the account by warrants drawn by the state auditor, upon vouchers issued and signed by the director or commissioner. Funds from the account shall be expended only to carry out the duties of the commissioner or the state banking board.

13-5-102. Formation.

(a) ~~Any number of~~ Five (5) or more adult persons may form a trust company in accordance with the provisions of this act.

(b) The ~~person~~ incorporators or members forming a trust company shall execute articles of incorporation as provided by W.S. 13-2-202 or articles of organization for a limited liability company. These articles shall include the requirements contained in W.S. 17-16-202 for corporations and W.S. 17-29-201 for limited liability companies. The commissioner may establish, by rule and regulation, other documents and materials to be filed by a trust company.

13-5-103. Application for charter; fee.

(b) Each application for charter shall be accompanied by an application fee ~~as provided by~~ established pursuant to W.S. 13-2-208.

13-5-116. Voluntary dissolution of trust company; liquidation; reorganization; application for dissolution; filing fee; filing with secretary of state; revocation of charter.

(b) A trust company seeking to dissolve its charter either by liquidation or reorganization shall file an application for dissolution with the commissioner accompanied by a filing fee ~~of one thousand five hundred dollars ($1,500.00) payable to~~ established by rule and regulation of the commissioner. The application shall include a comprehensive plan for dissolution setting forth the proposed disposition of all assets and liabilities, in reasonable detail to effect a liquidation or reorganization. The plan of dissolution shall provide for the discharge or assumption of all of the trust company's known and unknown claims and liabilities and for the transfer of all of its responsibilities as a trustee to a successor trustee or trustees. Additionally, the application for dissolution shall include other evidence, certifications, affidavits, documents or information as the commissioner may require demonstrating how assets and liabilities will be disposed, the timetable for effecting disposition of the assets and liabilities and the applicant's proposal for addressing any claims that are asserted after the dissolution has been completed. The commissioner shall examine the application for completeness and compliance with the requirements of this section, the business entity laws applicable to the required type of dissolution and applicable rules and regulation. The commissioner may conduct a special examination of the applicant for purposes of evaluating the application.

13-5-117. Failure to submit required report; fees; regulations.

(a) If a trust company fails to submit any report required pursuant to this act or any regulation adopted pursuant thereto within the prescribed period, the commissioner may impose and collect a fee of not more than twenty-five dollars ($25.00) for each day the report is overdue or such other greater amount as established by rule and regulation of the commissioner.

13-5-209. Procedures upon filing of organizational instruments, application and other information; application fee; approval or disapproval of application; criteria for approval; action upon application.

(b) The application filed with the commissioner shall be accompanied by a fee ~~of ten thousand dollars ($10,000.00)~~ established by rule and regulation of the commissioner to cover the expense of the investigation by the commissioner. If an application to become a chartered family trust company is withdrawn by the applicant at any time prior to the granting of the charter, the statutory application filing fee, less the amount of any expense authorized above and actually incurred, shall be refunded to the applicant.

13-5-217. Conversion from trust company to chartered family trust company.

(b) For trust companies established after July 1, 2015, seeking to convert from a trust company to a chartered family trust company, the application filed with the commissioner shall be accompanied by a fee ~~of ten thousand dollars ($10,000.00)~~ established by rule and regulation of the commissioner.

13-5-219. Establishment of trust service offices; application.

(c) After giving notice to the commissioner, a trust company, established and chartered under the laws of another state and which qualifies as a family trust company for the purposes of this act and provides in its articles of incorporation or operating agreement that it will only exercise within Wyoming the powers of a family trust company as specified in W.S. 13-5-210, may establish and operate a trust service office in this state if the company's home state does not prohibit a Wyoming trust company from establishing a trust office in that state.

13-8-103. Certificate of admission.

(a) An association shall not conduct any business in the state except upon written statement by the state banking commissioner, which shall be filed and preserved in his office, to the effect that the association is solvent and conducting its affairs compatible with prudent business principles. When a statement is made, the state banking board may issue a certificate of admission to the association upon the payment to the state banking commissioner of ~~fifty dollars ($50.00)~~ an amount established by rule and regulation of the commissioner.

13-8-105. Statement to be renewed annually or as required.

(a) The statements required of foreign associations shall be renewed annually by March 1 as of the preceding December 31 and shall be made at other times as the state banking commissioner may require. Foreign associations shall pay to the state banking commissioner upon filing each annual statement a fee ~~of ten dollars ($10.00)~~ established by rule and regulation of the commissioner.

13-8-107. Licensing of agents, solicitors and salesmen.

Each agent, solicitor or salesman, before transacting or soliciting any business in this state for any association, shall procure annually from the state banking commissioner a license as agent, solicitor or salesman for which a fee ~~of two dollars ($2.00)~~ established by rule and regulation of the commissioner for each license shall be collected and paid to the commissioner. A license expires on June 30 of each year and is subject to revocation by the state banking commissioner for improper business or conduct.

13-9-309. Required application; fees.

(a) A company that proposes to make an acquisition under this article shall:

(i) Pay to the commissioner an application fee ~~of four thousand five hundred dollars ($4,500.00)~~ established by rule and regulation of the commissioner;

17-29-102. Definitions.

(a) As used in this chapter:

(xxiv) "Financial institution" means a bank, savings and loan association or state chartered credit union.

17-29-104. Nature, purpose and duration of limited liability company.

(d) Limited liability companies may be organized under this chapter for any lawful purpose, except for the purpose of acting as a financial institution ~~as described~~

~~by W.S. 13-1-101(a)(ix)~~ or acting as an insurer as defined in W.S. 26-1-102(a)(xvi).

17-29-1010. Continuance.

(a) Subject to subsection (b) of this section, any organization organized for any purpose except acting as an insurer as defined in W.S. 26-1-102(a)(xvi), or acting as a financial institution ~~as described by W.S. 13-1-101(a)(ix)~~ under the laws of any foreign jurisdiction may, if the foreign jurisdiction will acknowledge that the organization's domicile has terminated in the foreign jurisdiction, apply to the secretary of state for registration under this act. The secretary of state may issue a certificate of registration upon receipt of an application supported by articles of continuance as provided by this act together with the statements, information and documents set out in subsection (c) of this section. The certificate of registration may then be issued continuing the organization in Wyoming as if it had been organized as a limited liability company in this state. The certificate of registration may be subject to any limitations and conditions as may appear proper to the secretary of state.

17-29-1012. Domestication of foreign limited liability companies.

Any limited liability company created under the laws of any of the several states of the United States for any purpose except acting as an insurer as defined in W.S. 26-1-102(a)(xvi), or acting as a financial institution ~~as described by W.S. 13-1-101(a)(ix)~~ may become a domestic limited liability company of this state by delivering or causing to be delivered to the secretary of state articles of domestication. Upon filing the articles of domestication, the secretary of state shall issue to the foreign limited liability company a certificate of domestication which shall continue the company as if it had been created under this chapter. The articles of domestication, upon being filed by the secretary of state, constitute the articles of the domesticated foreign limited liability company and it shall thereafter have all the powers and privileges and be subjected to all the duties and limitations granted and imposed upon domestic limited liability companies under the provisions of the Revised Uniform Limited Liability Company Act.

Section 2. This act is effective July 1, 2017.

(END)