

HOUSE BILL NO. HB0074

Special purpose depository institutions.

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

A BILL

for

1 AN ACT relating to banking; making legislative findings;
2 creating special purpose depository institutions as a new
3 financial institution; providing that special purpose
4 depository institutions shall be corporations; requiring that
5 depositors be business entities; specifying compliance with
6 applicable federal laws; establishing procedures for the
7 incorporation, chartering and operation of special purpose
8 depository institutions; establishing procedures for
9 liquidation, conservatorship and voluntary dissolution;
10 requiring a surety bond or pledged investments and specified
11 private insurance; authorizing special purpose depository
12 institutions to obtain federal deposit insurance; making
13 conforming amendments; authorizing positions; providing an
14 appropriation; and providing for effective dates.

15

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

2

3 **Section 1.**

4

5 (a) The legislature finds the following:

6

7 (i) The rapid innovation of blockchain technology,
8 including the growing use of virtual currency and other
9 digital assets, has resulted in many blockchain innovators
10 being unable to access secure and reliable banking services,
11 hampering development of blockchain services and products in
12 the marketplace;

13

14 (ii) Federally insured financial institutions are
15 not generally permitted to manage accounts in virtual
16 currency or hold other digital assets;

17

18 (iii) Blockchain innovators have greater
19 compliance challenges with federal customer identification,
20 anti-money laundering and beneficial ownership requirements
21 because of the complex nature of these obligations and the
22 unfamiliarity of regulators with blockchain innovators'
23 businesses;

1

2 (iv) These intricate obligations have resulted in
3 many financial institutions in Wyoming and across the United
4 States refusing to provide banking services to blockchain
5 innovators and also refusing to accept deposits in United
6 States currency obtained from the sale of virtual currency or
7 other digital assets;

8

9 (v) Compliance with applicable federal and state
10 laws is critical to ensuring the future growth and reputation
11 of the blockchain and technology industries as a whole;

12

13 (vi) Most financial institutions today do not have
14 the requisite expertise or familiarity with the challenges
15 facing blockchain innovators which is required to provide
16 secure and reliable banking services to these innovators;

17

18 (vii) A new type of Wyoming financial institution
19 that has expertise with customer identification, anti-money
20 laundering and beneficial ownership requirements could
21 seamlessly integrate these requirements into its operating
22 model; and

23

1 (viii) Authorizing special purpose depository
2 institutions to be chartered in Wyoming will provide a
3 necessary and valuable service to blockchain innovators,
4 emphasize Wyoming's partnership with the technology and
5 financial industry and safely grow this state's developing
6 financial sector.

7

8 **Section 2.** W.S. 13-12-101 through 13-12-126 are created
9 to read:

10

11

CHAPTER 12

12

SPECIAL PURPOSE DEPOSITORY INSTITUTIONS

13

14 **13-12-101. Short title.**

15

16 This chapter may be cited as the "Special Purpose Depository
17 Institutions Act."

18

19 **13-12-102. Applicability of other provisions.**

20

21 (a) Except as otherwise provided in subsections (b) and
22 (c) of this section, all other provisions of this title shall
23 apply to this chapter.

1

2 (b) The following provisions of this title shall not
3 apply to this chapter:

4

5 (i) W.S. 13-1-101(a)(vii);

6

7 (ii) W.S. 13-1-201;

8

9 (iii) W.S. 13-2-101;

10

11 (iv) W.S. 13-2-201 through 13-2-214;

12

13 (v) W.S. 13-2-301;

14

15 (vi) W.S. 13-2-709;

16

17 (vii) W.S. 13-3-102;

18

19 (viii) W.S. 13-3-203;

20

21 (ix) W.S. 13-3-401 through 13-3-405;

22

23 (x) W.S. 13-3-701 through 13-3-703;

1

2 (xi) W.S. 13-4-201 and 13-4-202(a)(i) through
3 (iii);

4

5 (xii) W.S. 13-4-206;

6

7 (xiii) W.S. 13-4-302; and

8

9 (xiv) W.S. 13-5-101 through 13-8-302.

10

11 (c) If any provision of law conflicts with this
12 chapter, this chapter shall control.

13

14 **13-12-103. Special purpose depository institutions**
15 **created as corporations; operating authority; powers;**
16 **prohibition on lending.**

17

18 (a) Consistent with this chapter, special purpose
19 depository institutions may be organized as corporations
20 under the Wyoming Business Corporation Act to exercise the
21 powers set forth in subsection (b) of this section.

22

23 (b) Each special purpose depository institution may:

1

2 (i) Make contracts as a corporation under Wyoming
3 law;

4

5 (ii) Sue and be sued;

6

7 (iii) Receive notes and buy and sell gold and
8 silver coins and bullion as permitted by federal law;

9

10 (iv) Carry on a nonlending banking business for
11 depositors, consistent with subsection (c) of this section;

12

13 (v) Provide payment services upon the request of
14 a depositor;

15

16 (vi) Make an application to become a member bank
17 of the federal reserve system;

18

19 (vii) Engage in any other activity that is usual
20 or incidental to the business of banking, subject to the prior
21 written approval of the commissioner. The commissioner shall
22 not approve a request to engage in an incidental activity if
23 he finds that the requested activity will adversely affect

1 the solvency or the safety and soundness of the special
2 purpose depository institution or conflict with any provision
3 of this chapter;

4

5 (viii) Exercise powers and rights otherwise
6 authorized by law which are not inconsistent with this
7 chapter.

8

9 (c) Except as otherwise provided in this subsection, a
10 special purpose depository institution shall not make loans,
11 including the provision of temporary credit relating to
12 overdrafts. A special purpose depository institution may
13 purchase debt obligations specified by W.S.
14 13-12-105(b)(iii).

15

16 (d) A special purpose depository institution shall
17 maintain its principal operating headquarters and the primary
18 office of its chief executive officer in Wyoming.

19

20 (e) As otherwise authorized by this section, the
21 special purpose depository institution may conduct business
22 with depositors outside this state.

23

1 (f) Subject to the laws of the host state, a special
2 purpose depository institution may open a branch in another
3 state in the manner set forth in W.S. 13-2-803. A special
4 purpose depository institution, including any branch of the
5 institution, may only accept deposits or provide other
6 services under this chapter to depositors engaged in a bona
7 fide business which is lawful under the laws of Wyoming, the
8 laws of the host state and federal law.

9
10 **13-12-104. Requirements relating to depositors; nature**
11 **of business.**

12
13 (a) No depositor shall maintain an account with a
14 special purpose depository institution or otherwise receive
15 any services from the institution unless the depositor meets
16 the criteria of this subsection. A depositor shall:

17
18 (i) Be a legal entity other than a natural person;

19
20 (ii) Be in good standing with the jurisdiction in
21 the United States in which it is incorporated or organized;

22

1 (iii) Maintain deposits with the institution
2 totaling not less than five thousand dollars (\$5,000.00);

3

4 (iv) Be engaged in a lawful, bona fide business,
5 consistent with subsection (c) of this section and W.S.
6 13-12-103(f); and

7

8 (v) Make sufficient evidence available to the
9 special purpose depository institution to enable compliance
10 with anti-money laundering, customer identification and
11 beneficial ownership requirements, as determined by the
12 institution.

13

14 (b) A depositor which meets the criteria of subsection
15 (a) of this section shall be issued a depository account and
16 otherwise receive services from the special purpose
17 depository institution, contingent on the availability of
18 sufficient insurance under W.S. 13-12-119(e).

19

20 (c) Consistent with paragraphs (a)(iv) and (v) of this
21 section and in addition to any requirements specified by
22 federal law, a special purpose depository institution shall
23 require that a potential depositor provide reasonable

1 evidence that the person is engaged in a lawful, bona fide
2 business, or is likely to open a lawful, bona fide business
3 within the next six (6) months. As used in this subsection,
4 "reasonable evidence" includes business entity filings,
5 articles of incorporation or organization, bylaws, operating
6 agreements, business plans, promotional materials, financing
7 agreements or other evidence.

8

9 **13-12-105. Required liquid assets.**

10

11 (a) At all times, a special purpose depository
12 institution shall maintain liquid assets valued at not less
13 than one hundred percent (100%) of its depository
14 liabilities.

15

16 (b) As used in this section, "liquid assets" means:

17

18 (i) United States currency held on the premises of
19 the special purpose depository institution;

20

21 (ii) United States currency held for the special
22 purpose depository institution by a federal reserve bank or
23 a federally insured financial institution;

1

2 (iii) Investments which are highly liquid,
3 including those specified by W.S. 13-3-202 and obligations of
4 the United States treasury or other federal agency
5 obligations, consistent with rules adopted by the
6 commissioner.

7

8 **13-12-106. Required contingency account.**

9

10 (a) A special purpose depository institution shall
11 maintain a contingency account to account for unexpected
12 losses and expenses. A special purpose depository institution
13 may require the payment of contributions from depositors to
14 fund a contingency account. Initial capital under W.S.
15 13-12-110 shall constitute compliance with this subsection
16 for the first three (3) years a special purpose depository
17 institution is in operation. After the conclusion of the first
18 three (3) years of operation, a special purpose depository
19 institution shall maintain a contingency account totaling not
20 less than two percent (2%) of the depository liabilities of
21 the special purpose depository institution, provided that the
22 contingency account shall be adequate and reasonable in light

1 of current and prospective business conditions, as determined
2 by the commissioner.

3

4 (b) A depositor shall obtain a refund of any
5 contingency account contributions made under subsection (a)
6 of this section after closing an account with the special
7 purpose depository institution.

8

9 **13-12-107. Applicable federal and state laws.**

10

11 A special purpose depository institution shall comply with
12 all applicable federal laws, including those relating to
13 anti-money laundering, customer identification and beneficial
14 ownership.

15

16 **13-12-108. Required disclosures.**

17

18 (a) A special purpose depository institution shall
19 display on any internet website it maintains, and at each
20 window or place where it accepts deposits, a sign
21 conspicuously stating that deposits are not insured by the
22 federal deposit insurance corporation, if applicable.

23

1 (b) Upon opening an account and if applicable, a
2 special purpose depository institution shall require each
3 depositor to execute a statement acknowledging that all
4 deposits at the special purpose depository institution are
5 not insured by the federal deposit insurance corporation. The
6 special purpose depository institution shall permanently
7 retain this acknowledgment.

8

9 (c) A special purpose depository institution shall
10 include in all advertising a disclosure that deposits are not
11 insured by the federal deposit insurance corporation, if
12 applicable.

13

14 **13-12-109. Formation; articles of incorporation.**

15

16 (a) Except as otherwise provided by subsection (d) of
17 this section, five (5) or more adult persons may form a
18 special purpose depository institution. The incorporators
19 shall subscribe the articles of incorporation and transmit
20 them to the commissioner as part of an application for a
21 charter under W.S. 13-12-111.

22

1 (b) The articles of incorporation shall include the
2 following information:

3

4 (i) The corporate name;

5

6 (ii) The object for which the corporation is
7 organized;

8

9 (iii) The term of its existence, which may be
10 perpetual;

11

12 (iv) The place where its office shall be located
13 and its operations conducted;

14

15 (v) The amount of capital stock and the number of
16 shares;

17

18 (vi) The name and residence of each shareholder
19 subscribing to more than ten percent (10%) of the stock and
20 the number of shares owned by that shareholder;

21

1 (vii) The number of directors and the names of
2 those who shall manage the affairs of the corporation for the
3 first year; and

4
5 (viii) A statement that the articles of
6 incorporation are made to enable the incorporators to avail
7 themselves of the advantages of the laws of the state.

8
9 (c) Copies of all amended articles of incorporation
10 shall be filed in the same manner as the original articles of
11 incorporation.

12
13 (d) The incorporators shall solicit capital prior to
14 filing an application for a charter with the commissioner,
15 consistent with W.S. 13-12-110. In the event an application
16 for a charter is not filed or is denied by the board, all
17 capital shall be promptly returned without loss.

18
19 (e) Subject to applicable federal and state law, a bank
20 holding company may apply to hold a special purpose depository
21 institution.

22

1 **13-12-110. Required initial capital and surplus;**
2 **additional capital.**

3

4 (a) The capital stock of each special purpose
5 depository institution chartered under this chapter shall be
6 subscribed for as fully paid stock. No special purpose
7 depository institution shall be chartered with capital stock
8 less than five million dollars (\$5,000,000.00).

9

10 (b) No special purpose depository institution shall
11 commence business until the full amount of its authorized
12 capital is subscribed and all capital stock is fully paid in.
13 Consistent with W.S. 13-12-111(b), no special purpose
14 depository institution may be chartered without a paid up
15 surplus fund of not less than three (3) years of estimated
16 operating expenses prior to applying to the commissioner for
17 a charter.

18

19 (c) A special purpose depository institution may
20 acquire additional capital prior to the granting of a charter
21 and may report this capital in its charter application.

22

1 **13-12-111. Application for charter; fee; subaccount**
2 **created.**

3

4 (a) No person shall act as a special purpose depository
5 institution without first obtaining a charter and certificate
6 of authority to operate from the commissioner under this
7 chapter.

8

9 (b) The incorporators under W.S. 13-12-109(a) shall
10 apply to the commissioner for a charter. The application shall
11 contain the special purpose depository institution's articles
12 of incorporation, a detailed business plan, a comprehensive
13 estimate of operating expenses for the first three (3) years
14 of operation, a complete proposal for compliance with the
15 provisions of this chapter and evidence of the capital
16 required under W.S. 13-12-110. The commissioner may prescribe
17 the form of application by rule.

18

19 (c) Each application for a charter shall be accompanied
20 by an application fee established by the commissioner
21 pursuant to rule, which shall be no greater than the costs
22 incurred by the commissioner in reviewing the application.
23 The application fee shall be credited to the special purpose

1 depository institutions subaccount created by subsection (d)
2 of this section.

3

4 (d) The special purpose depository institutions
5 subaccount within the financial institutions administration
6 account is created. Funds in the subaccount shall be used by
7 the commissioner to supervise special purpose depository
8 institutions and to otherwise carry out the duties specified
9 by this chapter. Funds in the subaccount are continuously
10 appropriated to the subaccount and shall not lapse at the end
11 of any fiscal period. For purposes of accounting and investing
12 only, the special purpose depository institutions subaccount
13 shall be treated as a separate account from the financial
14 institutions administration account.

15

16 **13-12-112. Procedure upon filing application.**

17

18 (a) Upon receiving an application for a special purpose
19 depository charter, the commissioner shall notify the
20 applicants in writing within thirty (30) calendar days of any
21 deficiency in the required information or that the
22 application has been accepted for filing. When the
23 commissioner is satisfied that all required information has

1 been furnished, he shall notify the chairman of the board who
2 shall establish a time and place for a public hearing which
3 shall be conducted not less than sixty (60) days, nor more
4 than one hundred twenty (120) days, after notice from the
5 commissioner to the applicants that the application is in
6 order.

7

8 (b) Within thirty (30) days after receipt of notice of
9 the time and place of the public hearing, the applicants shall
10 cause notice of filing of the application and the hearing to
11 be published at the applicants' expense in a newspaper of
12 general circulation within the county where the proposed
13 special purpose depository institution is to be located.
14 Publication shall be made at least once a week for three (3)
15 consecutive weeks before the hearing, stating the proposed
16 location of the special purpose depository institution, the
17 names of the applicants for a charter, the nature of the
18 activities to be conducted by the proposed institution and
19 other information required by rule. The applicants shall
20 furnish proof of publication to the commissioner not more
21 than ten (10) days prior to the hearing. The commissioner
22 shall send notice of the hearing to state and national banks,
23 federal savings and loan associations and other financial

1 institutions in the state and federal agencies who have
2 requested notice from the commissioner.

3

4 **13-12-113. Procedure for hearings on charter**
5 **applications.**

6

7 The hearing for a charter application shall be conducted as
8 a contested case under the Wyoming Administrative Procedure
9 Act and shall comply with the requirements of that act.

10

11 **13-12-114. Investigation and examination by**
12 **commissioner.**

13

14 (a) Upon receiving the articles of incorporation, the
15 application for a charter and other information required by
16 the commissioner, the commissioner shall make a careful
17 investigation and examination of the following:

18

19 (i) The character, reputation, financial standing
20 and ability of the incorporators;

21

22 (ii) The character, financial responsibility,
23 banking or other financial experience and business

1 qualifications of those proposed as officers and directors;
2 and

3

4 (iii) The application for a charter, including the
5 adequacy and plausibility of the business plan of the special
6 purpose depository institution and whether the institution
7 has offered a complete proposal for compliance with the
8 provisions of this chapter.

9

10 (b) The commissioner shall submit the results of his
11 investigation and examination at the public hearing on the
12 charter application and shall be subject to cross examination
13 by any interested party. No relevant information shall be
14 excluded by the board as hearsay.

15

16 **13-12-115. Approval or disapproval of application;**
17 **criteria for approval; action upon application.**

18

19 (a) Within ninety (90) days after receipt of the
20 transcript of the public hearing, the board shall render a
21 decision on the charter application based solely on the
22 following criteria:

23

1 (i) Whether the character, reputation, financial
2 standing and ability of the incorporators is sufficient to
3 afford reasonable promise of a successful operation;

4

5 (ii) Whether the character, financial
6 responsibility, banking or other financial experience and
7 business qualifications of those proposed as officers and
8 directors is sufficient to afford reasonable promise of a
9 successful operation;

10

11 (iii) The adequacy and plausibility of the
12 business plan of the special purpose depository institution;

13

14 (iv) Compliance with the capital and surplus
15 requirements of W.S. 13-12-110;

16

17 (v) The special purpose depository institution is
18 being formed for no other purpose than legitimate objectives
19 authorized by law;

20

21 (vi) The name of the proposed special purpose
22 depository institution does not resemble so closely as to

1 cause confusion with the name of any other financial
2 institution transacting business in the state; and

3

4 (vii) Whether the applicants have complied with
5 all applicable provisions of state law.

6

7 (b) The board shall approve an application that
8 complies with the requirements of subsection (a) of this
9 section. If an application fails to meet the requirements of
10 subsection (a) of this section, the board may conditionally
11 approve or disapprove the application. The board may also
12 conditionally approve or disapprove an application based on
13 the denial of, or any pending application relating to,
14 services under 12 U.S.C. § 248a. The board shall state
15 findings of fact and conclusions of law as part of its
16 decision. If the board approves the application, the
17 commissioner shall endorse upon the articles of incorporation
18 the approval of the board and shall transmit one (1) copy to
19 the secretary of state, retain one (1) copy and return a copy
20 to the applicants within twenty (20) days after the date of
21 the decision of the board approving the application. If the
22 board conditionally approves an application to require
23 compliance with one (1) or more of the factors set forth in

1 paragraphs (a)(i) through (vii) of this section, and upon
2 compliance by the applicants, the commissioner shall proceed
3 as provided in the preceding sentence. If the board
4 disapproves the application, the commissioner shall mail
5 notice of the disapproval to the applicants within twenty
6 (20) days of the board's disapproval.

7

8 **13-12-116. Certificate of authority to commence**
9 **business required; application; approval or denial; failure**
10 **to commence business.**

11

12 (a) If an application is approved and a charter granted
13 by the board under W.S. 13-12-115, the special purpose
14 depository institution shall not commence business before
15 receiving a certificate of authority to operate from the
16 commissioner. The application for a certificate of authority
17 shall be made to the commissioner and shall certify the
18 address at which the special purpose depository institution
19 will operate and that all adopted bylaws of the institution
20 have been attached as an exhibit to the application. The
21 application shall state the identities and contact
22 information of officers and directors. The commissioner shall
23 approve or deny an application for a certificate of authority

1 to operate within thirty (30) days after a complete
2 application has been filed. The authority of the commissioner
3 to disapprove any application shall be restricted solely to
4 noncompliance with this section. The commissioner may
5 disapprove an application based on the denial of, or any
6 pending application relating to, services under 12 U.S.C. §
7 248a. If the commissioner approves the application, he shall
8 issue a certificate of authority to the applicants within
9 twenty (20) days. If the commissioner denies the application,
10 he shall mail a notice of denial to the applicants within
11 twenty (20) days, stating the reasons for denying the
12 application, and grant to the applicants a maximum period of
13 ninety (90) days to resubmit the application with the
14 necessary corrections. If the applicants fail to comply with
15 requirements of the notice of denial within ninety (90) days
16 from the receipt of the notice, the charter of the special
17 purpose depository institution shall be revoked by the
18 commissioner. The failure of the commissioner to act upon an
19 application for a certificate of authority within thirty (30)
20 days shall be deemed an approval.

21

22 (b) If an approved special purpose depository
23 institution fails to commence business in good faith within

1 six (6) months after the issuance of a certificate of
2 authority to operate by the commissioner, the charter and
3 certificate of authority shall expire. The board, for good
4 cause and upon an application filed prior to the expiration
5 of the six (6) month period, may extend the time within which
6 the special purpose depository institution may open for
7 business.

8

9 **13-12-117. Decisions by board appealable; grounds.**

10

11 Any decision of the board or commissioner in approving,
12 conditionally approving or disapproving a charter for a
13 special purpose depository institution or the issuance or
14 denial of a certificate of authority to operate is appealable
15 to the district court of the county in which the institution
16 is to be located, in accordance with the provisions of the
17 Wyoming Administrative Procedure Act. In addition to the
18 grounds for appeal contained in the Wyoming Administrative
19 Procedure Act, an appellant may appeal if the board or the
20 commissioner fails to make any of the required findings or
21 otherwise take an action required by law.

22

1 **13-12-118. Surety bond; pledged investments;**
2 **investment income; bond or pledge increases; hearings.**

3
4 (a) Except as otherwise provided by subsection (b) of
5 this section, a special purpose depository institution shall,
6 before transacting any business, pledge or furnish a surety
7 bond to the commissioner to cover costs likely to be incurred
8 by the commissioner in a liquidation or conservatorship of
9 the special purpose depository institution. The amount of the
10 surety bond or pledge of assets under subsection (b) of this
11 section shall be determined by the commissioner in an amount
12 sufficient to defray the costs of a liquidation or
13 conservatorship.

14
15 (b) In lieu of a bond, a special purpose depository
16 institution may irrevocably pledge specified capital
17 equivalent to a bond under subsection (a) of this section.
18 Any capital pledged to the commissioner under this subsection
19 shall be held in a state or nationally chartered bank or
20 savings and loan association having a principal or branch
21 office in this state. All costs associated with pledging and
22 holding such capital are the responsibility of the special
23 purpose depository institution.

1

2 (c) Capital pledged to the commissioner shall be of the
3 same nature and quality as those required for state financial
4 institutions under W.S. 9-4-805.

5

6 (d) Surety bonds shall run to the state of Wyoming, and
7 shall be approved under the terms and conditions required
8 under W.S. 9-4-804(b) and (c).

9

10 (e) The commissioner may adopt rules to establish
11 additional investment guidelines or investment options for
12 purposes of the pledge or surety bond required by this
13 section.

14

15 (f) In the event of a liquidation or conservatorship of
16 a special purpose depository institution pursuant to W.S.
17 13-12-122, the commissioner may, without regard to
18 priorities, preferences or adverse claims, reduce the surety
19 bond or capital pledged under this section to cash as soon as
20 practicable and utilize the cash to defray the costs
21 associated with the liquidation or conservatorship.

22

1 (g) Income from capital pledged under subsection (b) of
2 this section shall be paid to the special purpose depository
3 institution, unless a liquidation or conservatorship takes
4 place.

5
6 (h) Upon evidence that the current surety bond or
7 pledged capital is insufficient, the commissioner may require
8 a special purpose depository institution to increase its
9 surety bond or pledged capital by providing not less than
10 thirty (30) days written notice to the institution. The
11 special purpose depository institution may request a hearing
12 before the board not more than thirty (30) days after
13 receiving written notice from the commissioner under this
14 subsection. Any hearing before the board shall be held
15 pursuant to the Wyoming Administrative Procedure Act.

16

17 **13-12-119. Reports and examinations; supervisory fees;**
18 **required private insurance or bond.**

19

20 (a) The commissioner may call for reports verified
21 under oath from a special purpose depository institution at
22 any time as necessary to inform the commissioner of the
23 condition of the institution.

1

2 (b) All reports required of special purpose depository
3 institutions by the commissioner and all materials relating
4 to examinations of these institutions shall be subject to the
5 provisions of W.S. 9-1-512.

6

7 (c) Every special purpose depository institution is
8 subject to the examination of the commissioner. The
9 commissioner or a duly appointed examiner shall visit and
10 examine special purpose depository institutions on a schedule
11 established by rule. The commissioner or a duly appointed
12 examiner shall make a complete and careful examination of the
13 condition and resources of a special purpose depository
14 institution, the mode of managing institution affairs and
15 conducting business, the actions of officers and directors in
16 the investment and disposition of funds, the safety and
17 prudence of institution management, compliance with the
18 requirements of this chapter and such other matters as the
19 commissioner may require. After an examination, the special
20 purpose depository institution shall remit to the
21 commissioner an amount equal to the total cost of the
22 examination. This amount shall be remitted to the state

1 treasurer and deposited into the special purpose depository
2 institutions subaccount created by W.S. 13-12-111(d).

3

4 (d) On or before January 31 and July 31 of each year,
5 a special purpose depository institution shall compute and
6 pay supervisory fees to the commissioner based on the total
7 assets of the special purpose depository institution as of
8 the preceding December 31 and June 30 respectively.
9 Supervisory fees under this section shall provide for the
10 operating costs of the office of the commissioner and the
11 administration of the laws governing special purpose
12 depository institutions. Such fees shall be established by
13 rule of the commissioner and shall be adjusted by the
14 commissioner to assure consistency with the cost of
15 supervision. Supervisory fees shall be deposited by the
16 commissioner with the state treasurer and credited to the
17 special purpose depository institutions subaccount created by
18 W.S. 13-12-111(d).

19

20 (e) A special purpose depository institution shall
21 maintain appropriate insurance or a bond covering the
22 operational risks of the institution, which shall include
23 coverage for directors' and officers' liability, errors and

1 omissions liability and information technology infrastructure
2 and activities liability.

3

4 **13-12-120. Suspension or revocation of charter.**

5

6 (a) The commissioner may suspend or revoke the charter
7 of a special purpose depository institution if, after notice
8 and opportunity for a hearing, the commissioner determines
9 that:

10

11 (i) The special purpose depository institution has
12 failed or refused to comply with an order issued under W.S.
13 13-10-201 through 13-10-209;

14

15 (ii) The application for a charter contained a
16 false statement or material misrepresentation or material
17 omission; or

18

19 (iii) An officer, director or agent of the special
20 purpose depository institution, in connection with an
21 application for a charter, examination, report or other
22 document filed with the commissioner, knowingly made a false
23 statement, material misrepresentation or material omission to

1 the board, the commissioner or the duly authorized agent of
2 the board or commissioner.

3

4 **13-12-121. Continuing jurisdiction.**

5

6 If the charter of a special purpose depository institution is
7 surrendered, suspended or revoked, the institution shall
8 continue to be subject to the provisions of this chapter
9 during any liquidation or conservatorship.

10

11 **13-12-122. Failure of institution; unsound or unsafe**
12 **condition; applicability of other insolvency and**
13 **conservatorship provisions.**

14

15 (a) If the commissioner finds that a special purpose
16 depository institution has failed or is operating in an unsafe
17 or unsound condition, as defined in this section, that has
18 not been remedied within the time prescribed under W.S.
19 13-4-203 through 13-4-205 or an order of the commissioner
20 issued pursuant to W.S. 13-10-201 through 13-10-209, the
21 commissioner shall conduct a liquidation or appoint a
22 conservator as provided by W.S. 13-4-301 and 13-4-303 through
23 13-4-703.

1

2 (b) As used in this section:

3

4 (i) "Failed" or "failure" means, consistent with
5 rules adopted by the commissioner, a circumstance when a
6 special purpose depository institution has not:

7

8 (A) Complied with the requirements of W.S.
9 13-12-105;

10

11 (B) Maintained a contingency account, as
12 required by W.S. 13-12-106;

13

14 (C) Paid, in the manner commonly accepted by
15 business practices, its legal obligations to depositors on
16 demand or to discharge any certificates of deposit,
17 promissory notes or other indebtedness when due.

18

19 (ii) "Unsafe or unsound condition" means,
20 consistent with rules adopted by the commissioner, a
21 circumstance relating to a special purpose depository
22 institution which is likely to:

23

1 (A) Cause the failure of the institution, as
2 defined in paragraph (i) of this subsection;

3
4 (B) Cause a substantial dissipation of assets
5 or earnings;

6
7 (C) Substantially disrupt the services
8 provided by the institution to depositors;

9
10 (D) Otherwise substantially prejudice the
11 depository interests of depositors.

12
13 **13-12-123. Voluntary dissolution of special purpose**
14 **depository institution; liquidation; reorganization;**
15 **application for dissolution; filing fee; filing with the**
16 **secretary of state; revocation of charter.**

17
18 (a) A special purpose depository institution may
19 voluntarily dissolve in accordance with the provisions of
20 this section. Voluntary dissolution shall be accomplished by
21 either liquidating the special purpose depository institution
22 or reorganizing the institution into an appropriate business
23 entity that does not engage in any activity authorized only

1 for a special purpose depository institution. Upon complete
2 liquidation or completion of the reorganization, the
3 commissioner shall revoke the charter of the special purpose
4 depository institution and afterward, the company shall not
5 use the word "special purpose depository institution" or
6 "bank" in its business name or in connection with its ongoing
7 business.

8
9 (b) The special purpose depository institution may
10 dissolve its charter either by liquidation or reorganization.
11 The board of directors shall file an application for
12 dissolution with the commissioner, accompanied by a filing
13 fee established by rule of the commissioner. The application
14 shall include a comprehensive plan for dissolution setting
15 forth the proposed disposition of all assets and liabilities,
16 in reasonable detail to effect a liquidation or
17 reorganization, and any other plans required by the
18 commissioner. The plan of dissolution shall provide for the
19 discharge or assumption of all of the known and unknown claims
20 and liabilities of the special purpose depository
21 institution. Additionally, the application for dissolution
22 shall include other evidence, certifications, affidavits,
23 documents or information as the commissioner may require,

1 including demonstration of how assets and liabilities will be
2 disposed, the timetable for effecting disposition of the
3 assets and liabilities and a proposal of the special purpose
4 depository institution for addressing any claims that are
5 asserted after dissolution has been completed. The
6 commissioner shall examine the application for compliance
7 with this section, the business entity laws applicable to the
8 required type of dissolution and applicable rules. The
9 commissioner may conduct a special examination of the special
10 purpose depository institution, consistent with W.S.
11 13-12-119(c), for purposes of evaluating the application.

12

13 (c) If the commissioner finds that the application is
14 incomplete, the commissioner shall return it for completion
15 not later than sixty (60) days after it is filed. If the
16 application is found to be complete by the commissioner, the
17 commissioner shall approve or disapprove the application not
18 later than thirty (30) days after it is filed. If the
19 commissioner approves the application, the special purpose
20 depository institution may proceed with the dissolution
21 pursuant to the plan outlined in the application, subject to
22 any further conditions the commissioner may prescribe. If the
23 special purpose depository institution subsequently

1 determines that the plan of dissolution needs to be amended
2 to complete the dissolution, it shall file an amended plan
3 with the commissioner and obtain approval to proceed under
4 the amended plan. If the commissioner does not approve the
5 application or amended plan, the special purpose depository
6 institution may appeal the decision to the board pursuant to
7 the Wyoming Administrative Procedure Act.

8

9 (d) Upon completion of all actions required under the
10 plan of dissolution and satisfaction of all conditions
11 prescribed by the commissioner, the special purpose
12 depository institution shall submit a written report of its
13 actions to the commissioner. The report shall contain a
14 certification made under oath that the report is true and
15 correct. Following receipt of the report, the commissioner,
16 no later than sixty (60) days after the filing of the report,
17 shall examine the special purpose depository institution to
18 determine whether the commissioner is satisfied that all
19 required actions have been taken in accordance with the plan
20 of dissolution and any conditions prescribed by the
21 commissioner. If all requirements and conditions have been
22 met, the commissioner shall, within thirty (30) days of the
23 examination, notify the special purpose depository

1 institution in writing that the dissolution has been
2 completed and issue a certificate of dissolution.

3

4 (e) Upon receiving a certificate of dissolution, the
5 special purpose depository institution shall surrender its
6 charter to the commissioner. The special purpose depository
7 institution shall then file articles of dissolution and other
8 documents required by W.S. 17-16-1401 through 17-16-1440 for
9 a corporation with the secretary of state. In the case of
10 reorganization, the special purpose depository institution
11 shall file the documents required by the secretary of state
12 to finalize the reorganization.

13

14 (f) If the commissioner determines that all required
15 actions under the plan for dissolution, or as otherwise
16 required by the commissioner, have not been completed, the
17 commissioner shall notify the special purpose depository
18 institution, not later than thirty (30) days after this
19 determination, in writing what additional actions shall be
20 taken in order for the institution to be eligible for a
21 certificate of dissolution. The commissioner shall establish
22 a reasonable deadline for the submission of evidence that
23 additional actions have been taken and the commissioner may

1 extend any deadline upon good cause. If the special purpose
2 depository institution fails to file a supplemental report
3 showing that the additional actions have been taken before
4 the deadline, or submits a report that is found not to be
5 satisfactory by the commissioner, the commissioner shall
6 notify the special purpose depository institution in writing
7 that its voluntary dissolution is not approved, and the
8 institution may appeal the decision to the board pursuant to
9 the Wyoming Administrative Procedure Act.

10

11 **13-12-124. Failure to submit required report; fees;**
12 **rules.**

13

14 If a special purpose depository institution fails to submit
15 any report required by this chapter or by rule within the
16 prescribed period, the commissioner may impose and collect a
17 fee for each day the report is overdue, as established by
18 rule.

19

20 **13-12-125. Willful failure to perform duties imposed by**
21 **law; removal.**

22

1 (a) Each officer, director, employee or agent of a
2 special purpose depository institution, following written
3 notice from the commissioner, is subject to removal upon order
4 of the commissioner if he knowingly or willfully fails to:

5

6 (i) Perform any duty required by this act or other
7 applicable law; or

8

9 (ii) Conform to any rule or order of the
10 commissioner.

11

12 **13-12-126. Rules.**

13

14 The commissioner shall adopt all rules necessary to implement
15 this chapter, consistent with W.S. 13-12-107.

16

17 **Section 3.** W.S. 13-1-101(a)(i) and by creating a new
18 paragraph (xvi), 13-1-201, 13-1-203, 13-1-204, 13-1-605(b) by
19 creating a new paragraph (vii), 13-2-103 and 13-10-201(a)(iv)
20 are amended to read:

21

22 **13-1-101. Definitions.**

23

1 (a) As used in this act, unless another definition is
2 specifically provided for a section, article or chapter of
3 this act:

4
5 (i) "Bank" means any corporation, excluding
6 national banks, having a place of business within this state
7 which engages in banking business, and includes a special
8 purpose depository institution, subject to the limitations
9 set forth in W.S. 13-12-101 through 13-12-126;

10
11 (xvi) "Special purpose depository institution"
12 means a corporation operating pursuant to W.S. 13-12-101
13 through 13-12-126.

14
15 **13-1-201. Generally.**

16
17 Subject to W.S. 13-12-102, this act applies to all banks in
18 this state organized under this act and to national banks
19 where specifically provided by the text.

20
21 **13-1-203. Compliance required.**

22

1 No person or entity shall carry on a banking business except
2 in compliance with this act or W.S. 13-12-101 through
3 13-12-126.

4

5 **13-1-204. Use of terms or names.**

6

7 (a) No person or entity shall advertise, issue or
8 circulate any paper or exhibit any sign using any of the terms
9 "bank", "banker", "banking", "special purpose depository
10 institution", or words of similar import, or use the name of
11 any other financial institution as defined by W.S.
12 13-1-101(a)(ix) until they have fully complied with this act
13 or W.S. 13-12-101 through 13-12-126.

14

15 (b) Consistent with subsection (a) of this section, a
16 special purpose depository institution may refer to itself as
17 a bank.

18

19 **13-1-605. State banking board; meetings; compensation;**
20 **purpose.**

21

22 (b) The banking board shall:

23

1 (vii) Perform the duties prescribed in W.S.
2 13-12-101 through 13-12-126.

3
4 **13-2-103. Federal deposit insurance.**

5
6 (a) All banks, except special purpose depository
7 institutions, shall obtain insurance of their deposits by the
8 United States and shall subscribe for insurance of deposit
9 accounts by the federal deposit insurance corporation (FDIC).

10
11 (b) Nothing in this section shall be construed as
12 prohibiting a special purpose depository institution from
13 obtaining FDIC insurance, if available.

14
15 **13-10-201. Definitions.**

16
17 (a) As used in this article:

18
19 (iv) "Wyoming financial institution" means any
20 bank, savings and loan association, special purpose
21 depository institution or trust company chartered or
22 organized under the laws of Wyoming.

23

1 **Section 4.** Consistent with this act, the banking
2 commissioner shall adopt rules governing special purpose
3 depository institutions on or before October 1, 2019,
4 provided these rules shall not take effect until October 1,
5 2019.

6
7 **Section 5.** The department of audit is authorized two
8 (2) additional full-time employees for the purposes of this
9 act. There is appropriated one hundred seventy-five thousand
10 six hundred four dollars (\$175,604.00) of special revenue
11 funds from the financial institutions administration account
12 to the department of audit. This appropriation shall be for
13 the period beginning with the effective date of this act and
14 ending June 30, 2020. Notwithstanding any other provision of
15 law, this appropriation shall not be transferred or expended
16 for any other purpose and any unexpended, unobligated funds
17 remaining from this appropriation shall revert as provided by
18 law on June 30, 2020.

19

20 **Section 6.**

21

22 (a) Except as otherwise provided by subsection (b) of
23 this section, this act is effective October 1, 2019.

1

2 (b) Section 4 of this act is effective immediately upon
3 completion of all acts necessary for a bill to become law as
4 provided by Article 4, Section 8 of the Wyoming Constitution.

5

6

(END)