

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO. [BILL NUMBER]

Special purpose depository banks.

Sponsored by: HDraft Committee

A BILL

for

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

1

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

3

4 **Section 1.**

5

6 (a) The legislature finds the following:

7

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

14

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

18

19 (iii) Blockchain innovators have greater
20 compliance challenges with federal customer identification,
21 anti money laundering and beneficial ownership requirements
22 because of the complex nature of these obligations and the

1 unfamiliarity of regulators with blockchain innovators'
2 businesses;

3

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

10

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

14

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

19

20 (vii) A new type of Wyoming financial institution
21 that has expertise with customer identification, anti money
22 laundering and beneficial ownership requirements could

1 seamlessly integrate these requirements into its operating
2 model; and

3

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

10

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

13

14

CHAPTER 12

15

SPECIAL PURPOSE DEPOSITORY BANKS

16

17

13-12-101. Short title.

18

19 This chapter may be cited as the "Special Purpose Depository
20 Banks Act."

21

22

13-12-102. Applicability of other provisions.

23

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

4
5 (b) The following provisions of this title shall not
6 apply to this chapter:

7
8 (i) W.S. 13-1-101(a)(vii) [*definition of "director"*
9 (*of the department of audit*)];

10
11 (ii) W.S. 13-1-201 [*applicability of banking code*];

12
13 (iii) W.S. 13-2-101 [*powers of banks*];

14
15 (iv) W.S. 13-2-201 through 13-2-214 [*chartering*];

16
17 (v) W.S. 13-2-301 [*requirements as to capital*];

18
19 (vi) W.S. 13-2-709 [*loan production offices*];

20
21 (vii) W.S. 13-3-102 [*loans to officers, directors*];

22
23 (viii) W.S. 13-3-203 [*borrowing*];

1

2 (ix) W.S. 13-3-401 through 13-3-405 [*restricted*
3 *transactions*];

4

5 (x) W.S. 13-3-701 through 13-3-703 [*reports &*
6 *examinations*];

7

8 (xi) W.S. 13-4-201 and 13-4-202 (a) (i) through
9 (a) (iii) [*insolvency*];

10

11 (xii) W.S. 13-4-206 [*voluntary dissolution*];

12

13 (xiii) W.S. 13-4-302 [*appointment of FDIC as receiver*];

14 and

15

16 (xiv) W.S. 13-5-101 through 13-8-302 [*trust*
17 *companies, savings & loans, foreign associations*].

18

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

21

1 **13-12-103. Special purpose depository banks created as**
2 **corporations; operating authority; powers; prohibition on**
3 **lending.**

4
5 (a) Consistent with this chapter, special purpose
6 depository banks may be organized as a corporation under the
7 Wyoming Business Corporation Act, W.S. 17-16-101 through
8 17-16-1810, to exercise the powers set forth in subsection
9 (b) of this section.

10
11 (b) Each special purpose depository bank may:

12
13 (i) Make contracts as a corporation under Wyoming
14 law;

15
16 (ii) Sue and be sued;

17
18 (iii) Receive notes, buy and sell gold and silver
19 coins and bullion as permitted by federal law;

20
21 (iv) Carry on a nonlending banking business for
22 depositors, consistent with subsection (c) of this section;

23

1 (v) Provide payment services upon the request of
2 a depositor;

3
4 (vi) Become a member bank of the federal reserve
5 system;

6
7 (vii) Engage in any other activity that is usual
8 or incidental to the business of banking, subject to the prior
9 written approval of the commissioner. The commissioner shall
10 not approve a request to engage in an incidental activity if
11 he finds that the requested activity will adversely affect
12 the solvency or the safety and soundness of the special
13 purpose depository bank or conflict with any provision of
14 this chapter;

15
16 (viii) Exercise powers and rights otherwise
17 authorized by law which are not inconsistent with this
18 chapter.

19
20 (c) Except as otherwise provided in this subsection, a
21 special purpose depository bank shall not make loans,
22 including the provision of temporary credit relating to

1 overdrafts. A special purpose depository bank may purchase
2 debt obligations specified by W.S. 13-12-105(b)(iii).

3

4 (d) A special purpose depository bank shall maintain
5 its principal operating headquarters and the primary office
6 of its chief executive officer in Wyoming.

7

8 (e) As otherwise authorized by this section, the
9 special purpose depository bank may conduct business with
10 depositors outside this state. Subject to the laws of the
11 host state, a special purpose depository bank may open a
12 branch in another state in the manner set forth in W.S.
13 13-2-803.

14

15 **13-12-104. Requirements relating to depositors; nature**
16 **of business.**

17

18 (a) No depositor shall maintain an account with a
19 special purpose depository bank or otherwise receive any
20 services from the bank unless the depositor meets the criteria
21 of this subsection. A depositor shall:

22

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

1

2

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

4

5

6

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

7

8

9

(iv) Be engaged in a lawful, bona fide business, as provided in subsection (c) of this section; and

10

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(c) Consistent with paragraphs (a)(iv) and (v) of this section and in addition to any requirements specified by

1 federal law, a special purpose depository bank shall require
2 that a potential depositor provide reasonable evidence that
3 the person is engaged in a lawful, bona fide business, or is
4 likely to open a lawful, bona fide business within the next
5 six (6) months. As used in this subsection, "reasonable
6 evidence" shall include business entity filings, articles of
7 incorporation or organization, bylaws, operating agreements,
8 business plans, promotional materials, financing agreements
9 or other evidence.

10

11 **13-12-105. Required liquid assets.**

12

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

16

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

18

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

21

1 (ii) United States currency held for the special
2 purpose depository bank by a federal reserve bank or a
3 federally insured financial institution;

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

10
11 **13-12-106. Required contingency account.**

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

1 purpose depository bank, provided that the contingency
2 account shall be adequate and reasonable in light of current
3 and prospective business conditions, as determined by the
4 commissioner.

5

6 (b) A depositor shall obtain a refund of any
7 contingency account contributions made under subsection (a)
8 of this section upon closing an account with the special
9 purpose depository bank.

10

11 **13-12-107. Applicable federal and state laws.**

12

13 (a) A special purpose depository bank shall comply with
14 all applicable federal laws, including those relating to anti
15 money laundering, customer identification and beneficial
16 ownership.

17

18 (b) Nothing in this act shall be construed to require
19 compliance with any federal or state law which does not apply
20 to special purpose depository banks.

21

22 (c) If a special purpose depository bank is denied
23 authorization to access any services required to be made

1 available under 12 U.S.C. § 248a, the attorney general shall,
2 on behalf of the state of Wyoming and the bank, commence a
3 civil action to enforce the requirements of 12 U.S.C. § 248a
4 relating to the bank and to maintain the authority of the
5 state of Wyoming to charter, supervise and ensure the
6 continued operation of banks in this state.

7

8 **13-12-108. Required disclosures.**

9

10 (a) A special purpose depository bank shall display on
11 any internet website it maintains, and at each window or place
12 where it accepts deposits, a sign conspicuously stating that
13 deposits are not insured by the federal deposit insurance
14 corporation.

15

16 (b) Upon opening an account, a special purpose
17 depository bank shall require each depositor to execute a
18 statement acknowledging that all deposits at the special
19 purpose depository bank are not insured by the federal deposit
20 insurance corporation. The special purpose depository bank
21 shall permanently retain this acknowledgment.

22

1 (c) A special purpose depository bank shall include in
2 all advertising a disclosure that deposits are not insured by
3 the federal deposit insurance corporation.
4

5 **13-12-109. Formation; articles of incorporation.**
6

7 (a) Except as otherwise provided by subsection (d) of
8 this section, five (5) or more adult persons may form a
9 special purpose depository bank. The incorporators shall
10 subscribe the articles of incorporation and transmit them to
11 the commissioner as part of an application for a charter under
12 W.S. 13-12-111.
13

14 (b) The articles of incorporation shall include the
15 following information:
16

17 (i) The corporate name;
18

19 (ii) The object for which the corporation is
20 organized;
21

22 (iii) The term of its existence, which may be
23 perpetual;

1

2 (iv) The place where its office shall be located
3 and its operations conducted;

4

5 (v) The amount of capital stock and the number of
6 shares;

7

8 (vi) The name and residence of each shareholder
9 subscribing to more than ten percent (10%) of the stock and
10 the number of shares;

11

12 (vii) The number of directors and the names of
13 those who shall manage the affairs of the corporation for the
14 first year; and

15

16 (viii) A statement that the articles of
17 incorporation are made to enable the incorporators to avail
18 themselves of the advantages of the laws of the state.

19

20 (c) Copies of all amended articles of incorporation
21 shall be filed in the same manner as the original articles of
22 incorporation.

23

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

6

7 (e) Subject to applicable federal and state law, a bank
8 holding company may form and hold a special purpose depository
9 bank.

10

11 **13-12-110. Required initial capital and surplus;**
12 **additional capital.**

13

14 (a) The capital stock of each special purpose
15 depository bank chartered under this chapter shall be
16 subscribed for as fully paid stock. No bank shall be chartered
17 with capital stock less than five million dollars
18 (\$5,000,000.00).

19

20 (b) No special purpose depository bank shall commence
21 business until the full amount of its authorized capital is
22 subscribed and all capital stock is fully paid in. Consistent
23 with W.S. 13-12-111(b), no special purpose depository bank

1 may be chartered without a paid up surplus fund of not less
2 than three (3) years of estimated operating expenses prior to
3 applying to the commissioner for a charter, consistent with
4 W.S. 13-12-111(b).

5

6 (c) The special purpose depository bank may acquire
7 additional capital prior to the granting of a charter and may
8 report this capital in its charter application.

9

10 **13-12-111. Application for charter; fee; subaccount**
11 **created.**

12

13 (a) No person shall act as a special purpose depository
14 bank without first obtaining a charter and certificate of
15 authority to operate from the commissioner under this
16 chapter.

17

18 (b) The incorporators under W.S. 13-12-109(a) shall
19 apply to the commissioner for a charter. The application shall
20 contain the special purpose depository bank's articles of
21 incorporation, a detailed business plan, a comprehensive
22 estimate of operating expenses for the first three (3) years
23 of operation, a complete proposal for compliance with the

1 provisions of this chapter and evidence of the capital
2 required under W.S. 13-12-110. The commissioner may prescribe
3 the form of application by rule.

4

5 (c) Each application for charter shall be accompanied
6 by an application fee established by the commissioner
7 pursuant to rule, which shall be no greater than the costs
8 incurred by the commissioner in reviewing the application.
9 The application fee shall be credited to the special purpose
10 depository banks subaccount created by subsection (d) of this
11 section.

12

13 (d) The special purpose depository banks subaccount
14 within the financial institutions administration account is
15 created. Funds in the subaccount shall be used by the
16 commissioner to supervise special purpose depository banks
17 and to otherwise carry out the duties specified by this
18 chapter. Funds in the subaccount are continuously
19 appropriated to the subaccount and shall not lapse at the end
20 of any fiscal period.

21

22 **13-12-112. Procedure upon filing application.**

23

1 (a) Upon receiving an application for a special purpose
2 depository charter, the commissioner shall notify the
3 applicants in writing within thirty (30) calendar days of any
4 deficiency in the required information or that the
5 application has been accepted for filing. When the
6 commissioner is satisfied that all required information has
7 been furnished, he shall notify the chairman of the board who
8 shall establish a time and place for a public hearing which
9 shall be conducted not less than sixty (60) days, nor more
10 than one hundred twenty (120) days, after notice from the
11 commissioner that the application is in order.

12

13 (b) Within thirty (30) days after receipt of notice of
14 the time and place of the public hearing, the applicants shall
15 cause notice of filing of the application and the hearing to
16 be published at applicant's expense in a newspaper of general
17 circulation within the county where the proposed special
18 purpose depository bank is to be located. Publication shall
19 be made at least once a week for three (3) consecutive weeks
20 before the hearing, stating the proposed location of the
21 special purpose depository bank, the names of the applicants
22 for a charter, the nature of the activities to be conducted
23 by the proposed bank and other information required by rule.

1 The applicants shall furnish proof of publication to the
2 commissioner not more than ten (10) days prior to the hearing.

3 The commissioner shall send notice of the hearing to state
4 and national banks, federal savings and loan associations and
5 other financial institutions in the state and federal
6 agencies who have requested notice from the commissioner.

7

8 **13-12-113. Procedure for hearings on charter**
9 **applications.**

10

11 The hearing for a charter application shall be conducted as
12 a contested case under the Wyoming Administrative Procedure
13 Act, W.S. 16-3-101 through 16-3-115, and shall comply with
14 the requirements of that act.

15

16 **13-12-114. Investigation and examination by**
17 **commissioner.**

18

19 (a) Upon receiving the articles of incorporation, the
20 application for a charter and other information required by
21 the commissioner, the commissioner shall make a careful
22 investigation and examination of the following:

23

1 (i) The character, reputation, financial standing
2 and ability of the incorporators;

3
4 (ii) The character, financial responsibility,
5 banking or other financial experience and business
6 qualifications of those proposed as officers and directors;
7 and

8
9 (iii) The application for a charter, including the
10 adequacy and plausibility of the business plan of the special
11 purpose depository bank and whether the bank has offered a
12 complete proposal for compliance with the provisions of this
13 chapter.

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

20
21 **13-12-115. Approval or disapproval of application;**
22 **criteria for approval; action upon application.**

23

1 (a) Within ninety (90) days after receipt of the
2 transcript of the public hearing, the board shall consider
3 the charter application based solely on the following
4 criteria:

5

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

9

10 (ii) Whether the character, financial
11 responsibility, banking or other financial experience and
12 business qualifications of those proposed as officers and
13 directors is sufficient to afford reasonable promise of a
14 successful operation;

15

16 (iii) The adequacy and plausibility of the
17 business plan of the special purpose depository bank;

18

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

21

1 (v) The special purpose depository bank is being
2 formed for no other purpose than legitimate objectives
3 authorized by law;

4

5 (vi) The name of the proposed special purpose
6 depository bank does not resemble so closely as to cause
7 confusion with the name of any other financial institution
8 transacting business in the state; and

9

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

12

13 (b) The board shall approve an application that
14 complies with the requirements of subsection (a) of this
15 section. If an application fails to meet the requirements of
16 subsection (a) of this section, the board may conditionally
17 approve or disapprove the application. The board shall not
18 conditionally approve or disapprove an application based on
19 the denial of, or any pending application relating to,
20 services under 12 U.S.C. § 248a. The board shall state
21 findings of fact and conclusions of law as part of its
22 decision. If the board approves the application, the
23 commissioner shall endorse upon the articles of incorporation

1 the approval of the board and shall transmit one (1) copy
2 with the office of the secretary of state, retain one (1)
3 copy and return a copy to the applicants within twenty (20)
4 days after the date of the decision of the board approving
5 the application. If the board conditionally approves an
6 application to require compliance with one (1) or more of the
7 factors set forth in paragraphs (a) (i) through (vii) of this
8 section, and upon compliance by the applicants, the
9 commissioner shall proceed as provided in the preceding
10 sentence. If the board disapproves the application, the
11 commissioner shall mail notice of the disapproval to the
12 applicants within twenty (20) days of the board's
13 disapproval.

14

15 **13-12-116. Certificate of authority to commence**
16 **business required; application; approval or denial; failure**
17 **to commence business.**

18

19 (a) If an application is approved and a charter granted
20 by the board under W.S. 13-12-115, the special purpose
21 depository bank shall not commence business before receiving
22 a certificate of authority to operate from the commissioner.
23 The application for a certificate of authority shall be made

1 to the commissioner and shall certify the address at which
2 the special purpose depository bank will operate and that all
3 of the adopted bylaws of the bank have been attached as an
4 exhibit to the application. The application shall state the
5 identities and contact information of officers and directors.
6 The commissioner shall approve or deny an application for a
7 certificate of authority to operate within thirty (30) days
8 after a complete application has been filed. The authority of
9 the commissioner to disapprove any application shall be
10 restricted solely to noncompliance with this section. The
11 commissioner shall not disapprove an application based on the
12 denial of, or any pending application relating to, services
13 under 12 U.S.C. § 248a. If the commissioner approves the
14 application, he shall issue a certificate of authority to the
15 applicants within twenty (20) days. If the commissioner
16 denies the application, he shall mail a notice of denial to
17 the applicants within twenty (20) days, stating the reasons
18 for denying the application, and grant to the applicants a
19 maximum period of ninety (90) days to resubmit the application
20 with the necessary corrections. If the applicants fail to
21 comply with requirements of the notice of denial within ninety
22 (90) days from the receipt of the notice, the charter of the
23 special purpose depository bank shall be revoked by the

1 commissioner. The failure of the commissioner to act upon an
2 application for a certificate of authority within thirty (30)
3 days shall be deemed an approval.

4
5 (b) If an approved special purpose depository bank
6 fails to commence business in good faith within six (6) months
7 after the issuance of a certificate of authority to operate
8 by the commissioner, the charter and certificate of authority
9 shall expire. The board, for good cause and upon an
10 application filed prior to the expiration of the six (6) month
11 period, may extend the time within which the special purpose
12 depository bank may open for business.

13
14 **13-12-117. Decisions by board appealable; grounds.**

15
16 Any decision of the board or commissioner in approving,
17 conditionally approving or disapproving a charter for a
18 special purpose depository bank or the issuance or denial of
19 a certificate of authority to operate is appealable to the
20 district court of the county in which the bank is to be
21 located, in accordance with the provisions of the Wyoming
22 Administrative Procedure Act, W.S. 16-3-101 through 16-3-115.
23 In addition to the grounds for appeal contained in the Wyoming

1 Administrative Procedure Act, an appellant may appeal if the
2 board or the commissioner fails to make any of the required
3 findings or otherwise take an action required by law.

4

5 **13-12-118. Surety bond; pledged investments;**
6 **investment income; bond or pledge increases; hearings.**

7

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

18

19 (b) In lieu of a bond, a special purpose depository
20 bank may irrevocably pledge specified capital equivalent to
21 a bond under subsection (a) of this section. Any capital
22 pledged to the commissioner under this subsection shall be
23 held in a state or nationally chartered bank or savings and

1 loan association having a principal or branch office in this
2 state. All costs associated with pledging and holding such
3 capital are the responsibility of the special purpose
4 depository bank.

5

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

9

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

13

14 (e) The commissioner may adopt rules to establish
15 additional investment guidelines or investment options for
16 purposes of the pledge or surety bond required by this
17 section.

18

19 (f) In the event of a liquidation or conservatorship of
20 a special purpose depository bank pursuant to W.S. 13-12-122,
21 the commissioner may, without regard to priorities,
22 preferences or adverse claims, reduce the surety bond or
23 capital pledged under this section to cash as soon as

1 practicable and utilize the cash to defray the costs
2 associated with the liquidation or conservatorship.

3

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

7

8 (h) Upon evidence that the current surety bond or
9 pledged capital is insufficient, the commissioner may require
10 any special purpose depository bank to increase its surety
11 bond or pledged capital by providing not less than thirty
12 (30) days written notice to the bank. The special purpose
13 depository bank may request a hearing before the board not
14 more than thirty (30) days after receiving written notice
15 from the commissioner under this subsection. Any hearing
16 before the board shall be held pursuant to the Wyoming
17 Administrative Procedure Act, W.S. 16-3-101 through 16-3-115.

18

19 **13-12-119. Reports and examinations; supervisory fees;**
20 **required private insurance or bond.**

21

22 (a) The commissioner may call for reports verified
23 under oath from a special purpose depository bank at any time

1 as necessary to inform the commissioner of the condition of
2 the bank.

3

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

8

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

1 treasurer and deposited into the special purpose depository
2 banks 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 bank shall compute and pay
6 supervisory fees to the commissioner based on the total
7 deposits of the special purpose depository bank as of the
8 preceding December 31 and June 30 respectively. Supervisory
9 fees under this section shall provide for the operating costs
10 of the office of the commissioner and the administration of
11 the laws governing special purpose depository banks. Such
12 fees shall be established by rule of the commissioner and
13 shall be adjusted by the commissioner to assure consistency
14 with the cost of supervision. Supervisory fees shall be
15 deposited by the commissioner with the state treasurer and
16 credited to the special purpose depository banks subaccount
17 created by W.S. 13-12-111(d).

18

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

1 information technology infrastructure and activities
2 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 bank if, after notice and
8 opportunity for a hearing, the commissioner determines that:

9

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

13

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

17

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

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

3

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

5

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

10

11 **13-12-122. Failure of bank; 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 bank has failed or is operating in an unsafe or
17 unsound condition, as defined in this section, that has not
18 been remedied within the time prescribed under W.S. 13-4-203
19 through 13-4-205 or an order of the commissioner issued
20 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 bank 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 bank
22 which is likely to:

23

1 (A) Cause the failure of the bank, as defined
2 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 bank 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 bank; liquidation; reorganization; application for**
15 **dissolution; filing fee; filing with the office of the**
16 **secretary of state; revocation of charter.**

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

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

7
8 (b) The special purpose depository bank may dissolve
9 its charter either by liquidation or reorganization. The
10 board of directors shall file an application for dissolution
11 with the commissioner, accompanied by a filing fee
12 established by rule of the commissioner. The application
13 shall include a comprehensive plan for dissolution setting
14 forth the proposed disposition of all assets and liabilities,
15 in reasonable detail to effect a liquidation or
16 reorganization, and any other plans required by the
17 commissioner. The plan of dissolution shall provide for the
18 discharge or assumption of all of the known and unknown claims
19 and liabilities of the special purpose depository bank.
20 Additionally, the application for dissolution shall include
21 other evidence, certifications, affidavits, documents or
22 information as the commissioner may require, including
23 demonstration of how assets and liabilities will be disposed,

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

11

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

1 dissolution, it shall file an amended plan with the
2 commissioner and obtain approval to proceed under the amended
3 plan. If the commissioner does not approve the application or
4 amended plan, the special purpose depository bank may appeal
5 the decision to the board pursuant to the Wyoming
6 Administrative Procedure Act, W.S. 16-3-101 through 16-3-115.

7
8 (d) Upon completion of all actions required under the
9 plan of dissolution and satisfaction of all conditions
10 prescribed by the commissioner, the special purpose
11 depository bank shall submit a written report of its actions
12 to the commissioner. The report shall contain a certification
13 made under oath that the report is true and correct.
14 Following receipt of the report, the commissioner, no later
15 than sixty (60) days after the filing of the report, shall
16 examine the special purpose depository bank to determine
17 whether the commissioner is satisfied that all required
18 actions have been taken in accordance with the plan of
19 dissolution and any conditions prescribed by the
20 commissioner. If all requirements and conditions have been
21 met, the commissioner shall, within thirty (30) days of the
22 examination, notify the special purpose depository bank in

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

3

4 (e) Upon receiving a certificate of dissolution, the
5 special purpose depository bank shall surrender its charter
6 to the commissioner. The special purpose depository bank
7 shall then file articles of dissolution and other documents
8 required by W.S. 17-16-1401 through 17-16-1440 for a
9 corporation with the office of the secretary of state. In the
10 case of reorganization, the special purpose depository bank
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 bank, not later than thirty (30) days after this
19 determination, in writing what additional actions shall be
20 taken in order for the bank to be eligible for a certificate
21 of dissolution. The commissioner shall establish a reasonable
22 deadline for the submission of evidence that additional
23 actions have been taken and the commissioner may extend any

1 deadline upon good cause. If the special purpose depository
2 bank fails to file a supplemental report showing that the
3 additional actions have been taken before the deadline, or
4 submits a report that is found not to be satisfactory by the
5 commissioner, the commissioner shall notify the special
6 purpose depository bank in writing that its voluntary
7 dissolution is not approved, and the bank may appeal the
8 decision to the board pursuant to the Wyoming Administrative
9 Procedure Act, W.S. 16-3-101 through 16-3-115.

10

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

13

14 If a special purpose depository bank fails to submit any
15 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 bank, following written notice
3 from the commissioner, is subject to removal upon order of
4 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.**

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 bank, subject to the limitations set forth
9 in W.S. 13-12-101 through 13-12-126;

10
11 (xvi) "Special purpose depository bank"
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 bank", or words of similar import, or use the name of any
11 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 bank may refer to itself as a bank.

17

18 **13-1-605. State banking board; meetings; compensation;**
19 **purpose.**

20

21 (b) The banking board shall:

22

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 banks,
7 shall obtain insurance of their deposits by the United States
8 and shall subscribe for insurance of deposit accounts by the
9 federal deposit insurance corporation (FDIC).

10
11 (b) Nothing in this section shall be construed as
12 prohibiting a special purpose depository bank from obtaining
13 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 bank or trust company chartered or organized under
22 the laws of Wyoming.

23

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

5

6 **Section 5.**

7

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

10

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

14

15

(END)