

HOUSE BILL NO. HB0002

Banking-revisions.

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

A BILL

for

1 AN ACT relating to banks, banking and finance; correcting
2 definitions for branch banking; modifying bank service
3 organization provision; adding penalty provisions for
4 persons engaged in the trust business; applying penalty
5 provisions to financial institutions; adding provision to
6 remove and suspend an officer or director of a bank holding
7 company; making conforming amendments; eliminating
8 unnecessary language; and providing for an effective date.

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

11

12 **Section 1.** W.S. 13-1-101(a)(xiv), 13-2-701(a)(i) and
13 (iv), 13-5-110(a)(i), 13-9-101(f), 13-10-101, 13-10-102,
14 13-10-103(b), 13-10-104(a) and (b), 13-10-106,
15 13-10-107(b), (c), (e) and (f), 13-10-108 by creating a new

1 subsection (c), 13-10-109 through 13-10-111 and
2 13-10-205(a) (intro) are amended to read:

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4 **13-1-101. Definitions.**

5

6 (a) As used in this act, unless another definition is
7 specifically provided for a section, article or chapter of
8 this act:

9

10 (xiv) "This act" unless otherwise indicated
11 means W.S. 13-1-101 through ~~13-10-209~~ 13-11-101;

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13 **13-2-701. Definitions.**

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15 (a) As used in this act:

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17 (i) "Branch" means any manned branch bank,
18 branch office, branch agency, additional office, separate
19 office or any branch or separate place of business operated
20 by a parent bank in this state which offers any or all of
21 the banking services conducted at a parent bank, but
22 excludes a remote electronic terminal as defined in W.S.
23 13-1-501(a) (v) and loan production offices operated in
24 accordance with W.S. 13-2-709;

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13-5-110. Powers of state banking commissioner.

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(iv) "Parent bank" means a state or national bank which operates or has applied to operate a branch in this state;

(a) In addition to other powers conferred by this act, the state banking commissioner shall:

(i) Supervise and examine all trust companies organized under the provisions of this act and all such trust companies shall be subject to the laws of this state governing banks and other financial institutions in all cases where the laws do not conflict with the provisions of this act. All trust companies shall file with the commissioner the Federal Financial Institutions Examination Council Annual Report of trust assets for the company and an annual report of the financial condition of the company; ~~;. All financial institutions operating a trust department shall file annually similar reports regarding its trust department as the commissioner may require by rule and regulation;~~

1 **13-9-101. Generally.**

2

3 (f) ~~A state bank shall not cause to be performed, by~~
4 ~~contract or otherwise, any bank services for itself,~~
5 ~~whether on or off its premises, unless satisfactory~~
6 ~~assurances are furnished to the state banking commissioner~~
7 ~~in writing by both the bank and the party performing the~~
8 ~~services that the performance of the services will be~~ All
9 bank services and bank service corporations shall be

10 subject to regulation and examination by the state banking
11 commissioner to the same extent as if the services were
12 being performed by the bank itself on its own premises.

13 Any bank contracting for or receiving bank services from a
14 bank service corporation shall notify the commissioner
15 within thirty (30) days of the earlier of the contract date
16 or receipt of services.

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18 **13-10-101. General penalty.**

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20 Any officer, director, owner or employee of a ~~bank or trust~~
21 ~~company~~ financial institution who willfully and knowingly
22 violates any provision of this act for which a penalty is
23 not expressly provided is guilty of a misdemeanor
24 punishable by a fine of not less than one hundred dollars

1 (\$100.00) nor more than one thousand dollars (\$1,000.00),
2 imprisonment for not more than one (1) year, or both.

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4 **13-10-102. False statements.**

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6 (a) Any owner, director, officer or employee of a
7 ~~bank or trust company~~ financial institution who makes any
8 false entry or fails to make new entries of matters
9 pertaining to the affairs of the ~~bank~~ financial institution
10 in the books or statements of the ~~bank~~ financial
11 institution with intent to injure or defraud the ~~bank~~
12 financial institution or deceive any officer of the ~~bank~~
13 financial institution or any person appointed to examine
14 the affairs of the ~~bank~~ financial institution is guilty of
15 a felony punishable by a fine of not less than one thousand
16 dollars (\$1,000.00) nor more than five thousand dollars
17 (\$5,000.00), imprisonment for not less than one (1) year
18 nor more than ten (10) years, or both.

19

20 (b) Any officer, director, owner or employee of a
21 ~~bank or trust company~~ financial institution who willfully
22 and knowingly subscribes, makes or causes to be made any
23 false statement or report to the state banking
24 commissioner, or subscribes or exhibits false papers with

1 intent to deceive any person authorized to examine the
2 affairs of the ~~bank~~ financial institution, or states or
3 publishes any false report or statement of the ~~bank~~
4 financial institution is guilty of a felony punishable by a
5 fine of not less than one thousand dollars (\$1,000.00) nor
6 more than five thousand dollars (\$5,000.00), imprisonment
7 for not less than one (1) year nor more than ten (10)
8 years, or both.

9
10 (c) Any person who willfully and knowingly makes,
11 circulates or transmits any false statement or rumor to
12 another which is directly or indirectly derogatory to the
13 financial condition or affects the solvency or financial
14 standing of a ~~bank~~ financial institution doing business in
15 Wyoming is guilty of a misdemeanor punishable by a fine of
16 not more than seven hundred fifty dollars (\$750.00),
17 imprisonment for not more than six (6) months, or both.

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19 **13-10-103. Fraudulent insolvency.**

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21 (b) Any officer or director of a ~~bank~~ financial
22 institution who participates in a fraudulent insolvency of
23 a ~~bank~~ financial institution is guilty of a misdemeanor
24 punishable by a fine of not less than one hundred dollars

1 (\$100.00) nor more than one thousand dollars (\$1,000.00),
2 imprisonment for not less than one (1) month nor more than
3 one (1) year, or both.

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5 **13-10-104. Wrongful certification, issuance or**
6 **delivery of instruments, preferences or borrowing.**

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8 (a) Any owner, director, officer, agent or employee
9 of a ~~bank~~ financial institution who willfully certifies a
10 check on the account of the drawer of the check which does
11 not contain sufficient funds to pay the check is guilty of
12 a misdemeanor punishable by a fine not to exceed one
13 thousand dollars (\$1,000.00).

14

15 (b) Any owner, director, officer or employee of a
16 ~~bank~~ financial institution who issues or delivers any
17 certificate of deposit, draws any check, draft or bill of
18 exchange, makes any acceptance, or signs any note, bond,
19 draft, bill of exchange, mortgage, judgment or decree
20 without the approval of the board of directors is guilty of
21 a felony punishable by imprisonment for not less than one
22 (1) year nor more than twenty (20) years.

23

24 **13-10-106. Transactions exceeding liability limits;**

1 **concealing or failing to report transactions.**

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3 (a) Any officer, director or agent of a ~~bank~~
4 financial institution who makes or delivers any guarantee
5 or endorsement on behalf of the ~~bank~~financial institution
6 whereby the ~~bank~~financial institution may become liable
7 upon any of the ~~bank's~~financial institution's discounted
8 notes, bills or obligations in an amount exceeding the
9 amount of loans or discounts which the ~~bank~~financial
10 institution may make under this act is guilty of a
11 misdemeanor punishable by a fine of not less than five
12 hundred dollars (\$500.00) nor more than one thousand
13 dollars (\$1,000.00), imprisonment for not less than one (1)
14 month nor more than one (1) year, or both.

15

16 (b) Any director of a ~~bank~~financial institution who
17 concurs in any vote or act of the board of directors or any
18 director of the ~~bank~~financial institution whereby it is
19 intended to make a loan or discount to a director of the
20 ~~bank~~financial institution or upon an instrument on which a
21 director is liable, exceeding the amount allowed under this
22 act, is guilty of a misdemeanor punishable by a fine of not
23 less than five hundred dollars (\$500.00) nor more than one

1 thousand dollars (\$1,000.00), imprisonment for not less
2 than one (1) month nor more than one (1) year, or both.

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4 (c) Any officer, director or employee of a bank
5 financial institution who intentionally conceals any
6 discounts or loans, purchases of securities or sale of bank
7 financial institution securities by the ~~bank~~ financial
8 institution from the officers or directors of the bank
9 financial institution, or who knowingly fails to report all
10 discounts, loans or purchases of securities by the bank
11 financial institution to the board of directors when
12 required to do so by law, is guilty of a misdemeanor
13 punishable by a fine of not less than five hundred dollars
14 (\$500.00) nor more than one thousand dollars (\$1,000.00),
15 imprisonment for not less than one (1) month nor more than
16 one (1) year, or both.

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18 **13-10-107. Failure to report or cooperate with state**
19 **banking commissioner.**

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21 (b) Any bank failing to submit reports to the state
22 banking commissioner as required by W.S. 13-3-701(d) is
23 subject to a civil penalty of twenty-five dollars (\$25.00)
24 per day for each day the reports are delayed. Any trust

1 company failing to submit reports to the commissioner as
2 required by W.S. 13-5-110(a)(i) is subject to a civil
3 penalty of twenty-five dollars (\$25.00) per day for each
4 day the reports are delayed.

5
6 (c) Any officer, director or employee of a bank
7 financial institution or bank holding company who willfully
8 and knowingly fails to report any transfer of ownership
9 interests of the ~~bank~~ financial institution or ~~of its a~~
10 bank holding company to the commissioner as required by
11 this act is guilty of a misdemeanor punishable by a fine of
12 not more than one thousand dollars (\$1,000.00),
13 imprisonment for not less than six (6) months nor more than
14 one (1) year, or both.

15
16 (e) Any person refusing or obstructing access to the
17 state banking commissioner to any books, records or papers,
18 refusing to furnish any required information, or hindering
19 a full examination of the books, accounts, papers and
20 finances of a ~~bank, savings and loan association or trust~~
21 ~~company,~~ financial institution is guilty of a felony
22 punishable by a fine of not less than one thousand dollars
23 (\$1,000.00), imprisonment for a period of not less than one
24 (1) year, or both.

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2 (f) A ~~bank~~ financial institution shall keep books and
3 accounts in a convenient manner so as to enable the
4 examiner to readily ascertain the true condition of the
5 ~~bank~~ financial institution. Any ~~bank~~ financial institution
6 that refuses or neglects to open and keep books and
7 accounts as prescribed by the state banking commissioner is
8 subject to a penalty of three hundred dollars (\$300.00) per
9 day for each day the ~~bank~~ financial institution neglects or
10 fails to open and keep the books and accounts after
11 receiving written notice from the state banking
12 commissioner.

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14 **13-10-108. Operating bank or savings and loan**
15 **association or trust company without complying with**
16 **provisions.**

17

18 (c) Any person, firm or corporation which conducts a
19 trust business without compliance with this act and
20 following ten (10) days notice given by the commissioner,
21 is guilty of a misdemeanor punishable by a fine of not less
22 than one hundred dollars (\$100.00) nor more than one
23 thousand dollars (\$1,000.00), imprisonment for not more
24 than six (6) months, or both.

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2 **13-10-109. Refusal to exhibit stock ledger or**
3 **register.**

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5 Any officer of a ~~bank~~financial institution refusing to
6 exhibit the stock ledger or register of the ~~bank~~financial
7 institution to any person entitled to inspect the ledger or
8 register is guilty of a misdemeanor punishable by a fine
9 not to exceed fifty dollars (\$50.00).

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11 **13-10-110. Improper procurement of loans; permitting**
12 **accounts to be overdrawn.**

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14 Any officer, director, agent or employee of a ~~bank~~
15 financial institution who asks for, receives or agrees to
16 receive any compensation, reward or personal advantage for
17 procuring or endeavoring to procure for any person, firm or
18 corporation any loan from or the purchase or discount of
19 any instrument by the ~~bank~~financial institution, or for
20 permitting any person, firm or corporation to overdraw any
21 account with the ~~bank~~financial institution, is guilty of a
22 felony punishable by a fine of not less than one thousand
23 dollars (\$1,000.00) nor more than five thousand dollars

1 (\$5,000.00), imprisonment for not less than one (1) year
2 nor more than ten (10) years, or both.

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4 **13-10-111. Financial involvement by state banking**
5 **commissioner and employees.**

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7 The state banking commissioner and employees of the state
8 banking commissioner's office shall not become indebted to
9 any ~~bank~~ financial institution under state supervision nor
10 shall engage or be interested in the sale of securities or
11 negotiation of loans for others with any ~~bank~~ financial
12 institution under state supervision. Violation of this
13 section constitutes grounds for removal from office.

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15 **13-10-205. Removal of officer or director; notice;**
16 **opportunity for hearing.**

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18 (a) After notice and opportunity for hearing, the
19 commissioner may issue a final order removing an officer or
20 director of a Wyoming financial institution or a bank
21 holding company if the officer or director:

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