

SENATE FILE NO. SF0054

State banks and SPDI conversions.

Sponsored by: Senator(s) Rothfuss, Crago, Nethercott and Olsen and Representative(s) Filer, Singh and Yin

A BILL

for

1 AN ACT relating to banks, banking and finance; providing  
2 for the conversion of special purpose depository  
3 institutions into state banks; providing for the conversion  
4 of state banks into special purpose depository  
5 institutions; requiring rulemaking; and providing for  
6 effective dates.

7

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

9

10 **Section 1.** W.S. 13-2-216 and 13-12-127 are created to  
11 read:

12

13 **13-2-216. Conversion of special purpose depository**  
14 **institution into state bank.**

15

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21

22 (ii) The application to convert shall include a  
23 comprehensive plan for conversion setting forth any

1 necessary disposition of assets and liabilities in  
2 reasonable detail to effect the conversion, and any other  
3 plans required by the commissioner. The application shall  
4 be accompanied by a fee consistent with W.S. 13-2-208. The  
5 plan of conversion shall provide for the discharge or  
6 assumption of all known and unknown claims and liabilities  
7 of the special purpose depository institution.  
8 Additionally, the application for conversion shall include  
9 other evidence, certifications, affidavits, documents or  
10 information as the commissioner may require, including  
11 demonstration of how assets and liabilities will be  
12 disposed, the timetable for effecting disposition or  
13 transfer of the assets and liabilities and a proposal for  
14 addressing any claims that are asserted after conversion  
15 has been completed;

16

17 (iii) The commissioner shall examine the  
18 application for compliance with this section, the  
19 requirements of W.S. 13-2-207 through 13-2-212 that are not  
20 inconsistent with this section and applicable rules.

21

22 (b) Upon receipt of a complete application, the  
23 commissioner shall notify the board. The board, in its

1 discretion, may allow the commissioner to proceed with  
2 approval of an application on an expedited basis without  
3 further oversight or approval by the board or, if deemed  
4 necessary by the board, the board may require a process  
5 consistent with W.S. 13-2-207, 13-2-209 and 13-2-211. Where  
6 an expedited review is allowed by the board, the  
7 commissioner shall approve or deny a conversion application  
8 under this section not more than ninety (90) days after  
9 receipt of a complete application.

10

11 (c) The application shall not be approved under this  
12 section until the board or commissioner, as applicable, has  
13 ascertained to the board's or commissioner's satisfaction  
14 that the proposed state bank satisfies all criteria under  
15 W.S. 13-2-212(a)(i) through (iii), (v) and (vi), complies  
16 with all applicable capital requirements and capital levels  
17 are sufficient in light of current and prospective  
18 conditions and meets all applicable requirements and any  
19 applicable rules to operate as a state bank. If the  
20 application is to be approved by the board, the board shall  
21 take action consistent with W.S. 13-2-212(b).

22

1 (d) If the application is approved and a charter  
2 granted by the board or commissioner, the converting  
3 special purpose depository institution shall not commence  
4 business as a state bank before receiving a certificate of  
5 authority to operate as a state bank from the state banking  
6 commissioner. Upon approval of an application the special  
7 purpose depository institution shall apply for a  
8 certificate of authority to the state banking commissioner  
9 and shall certify that the capital levels comply with all  
10 applicable capital requirements and any additional capital  
11 requirements imposed by the state banking commissioner have  
12 been paid in, the address at which the converted state bank  
13 will operate and that all of the bylaws adopted have been  
14 attached as an exhibit to the application for certificate  
15 of authority. The application for a certificate of  
16 authority shall state who the officers, directors and  
17 stockholders are at that time and attach evidence that  
18 appropriate federal insurance of deposits has been  
19 obtained, where applicable. The state banking commissioner  
20 shall approve or deny an application for a certificate of  
21 authority not more than thirty (30) days after a complete  
22 application has been filed. If the state banking  
23 commissioner approves the application, he shall issue a

1 certificate of authority to the converted state bank not  
2 later than twenty (20) days after approval of the  
3 application. If the state banking commissioner denies the  
4 application, he shall mail a notice of denial to the  
5 converted state bank not later than twenty (20) days after  
6 denial of the application, stating the reasons for denying  
7 the application, and grant to the converted state bank not  
8 more than ninety (90) days to resubmit the application with  
9 the necessary corrections. If the converted state bank  
10 fails to comply with requirements of the notice of denial  
11 within ninety (90) days from the receipt of the notice, the  
12 approval of the application and articles of incorporation  
13 previously issued to the converted state bank shall be  
14 revoked by the state banking commissioner. The failure of  
15 the state banking commissioner to act upon receipt of a  
16 complete application for a certificate of authority within  
17 thirty (30) days shall be deemed an approval. If a  
18 converted state bank fails to commence business in good  
19 faith within one (1) year after the issuance of a  
20 certificate of authority by the state banking commissioner  
21 or any required federal approval, whichever is later, the  
22 charter and certificate of authority shall expire.

23

1                   (e) A state bank that results from a conversion under  
2 this section shall be deemed to have been in existence for  
3 the same period of time as the special purpose depository  
4 institution from which it converted and shall surrender its  
5 certificate of authority under W.S. 13-12-116. Upon  
6 completion of the conversion the state bank shall not use  
7 the term "special purpose depository institution" in its  
8 business name or in connection with its ongoing business.

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10                  (f) The commissioner shall adopt all rules necessary  
11 to implement this section.

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13                  **13-12-127. Conversion of state bank into special**  
14 **purpose depository institution.**

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16                  (a) The commissioner, with approval of the board, may  
17 convert the charter of a state bank chartered under W.S.  
18 13-2-201 et. seq, to a special purpose depository  
19 institution chartered under this article. A conversion  
20 shall occur as follows:

21

22                  (i) A state bank seeking to convert its charter  
23 to a special purpose depository institution shall file an

1 application to convert that contains a comprehensive plan  
2 for conversion as required by this section and rules  
3 promulgated by the commissioner. The application shall  
4 include a certificate signed by the institution's president  
5 and a majority of the board of directors setting forth the  
6 action taken to support the proposed conversion in  
7 compliance with this section. The plan of conversion and a  
8 proposed organizational instrument that includes the  
9 information required by W.S. 13-12-109 shall be approved by  
10 the shareholders of the state bank prior to submitting an  
11 application for conversion;

12

13 (ii) The application to convert shall include a  
14 comprehensive plan for conversion setting forth any  
15 necessary disposition of assets and liabilities in  
16 reasonable detail to effect the conversion, and any other  
17 plans required by the commissioner. The application shall  
18 be accompanied by a fee consistent with W.S. 13-12-111. The  
19 plan of conversion shall provide for the discharge or  
20 assumption of all known and unknown claims and liabilities  
21 of the state bank. Additionally, the application for  
22 conversion shall include other evidence, certifications,  
23 affidavits, documents or information as the commissioner

1 may require, including demonstration of how assets and  
2 liabilities will be disposed, the timetable for effecting  
3 disposition or transfer of the assets and liabilities and a  
4 proposal for addressing any claims that are asserted after  
5 conversion has been completed;

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7 (iii) The commissioner shall examine the  
8 application for compliance with this section, the  
9 requirements of W.S. 13-12-102 through 13-12-116 and  
10 13-12-118 that are not inconsistent with this section and  
11 applicable rules.

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13 (b) Upon receipt of a complete application, the  
14 commissioner shall notify the board. The board, in its  
15 discretion, may allow the commissioner to proceed with  
16 approval of an application on an expedited basis without  
17 further oversight or approval by the board or, if deemed  
18 necessary by the board, the board may require a process  
19 consistent with W.S. 13-12-112 through 13-12-115. Where an  
20 expedited review is allowed by the board, the commissioner  
21 shall approve or deny a conversion application under this  
22 section not more than ninety (90) days after receipt of a  
23 complete application.

1

2 (c) The application shall not be approved under this  
3 section until the board or commissioner, as applicable, has  
4 ascertained to the board's or commissioner's satisfaction  
5 that the proposed special purpose depository institution  
6 satisfies all criteria under W.S. 13-12-115(a) and meets  
7 all applicable requirements and any applicable rules to  
8 operate as a special purpose depository institution. If the  
9 application is to be approved by the board, the board shall  
10 take action consistent with W.S. 13-12-115(b).

11

12 (d) If the application is approved and a charter is  
13 granted by the board or commissioner, the converting state  
14 bank shall not commence business as a special purpose  
15 depository institution before receiving a certificate of  
16 authority to operate as a special purpose depository  
17 institution from the state banking commissioner. Upon  
18 approval of an application, the converting state bank shall  
19 apply for a certificate of authority to the state banking  
20 commissioner and shall certify that the capital and surplus  
21 have been paid in, the address at which the converting  
22 state bank will operate as a special purpose depository  
23 institution and that all of the bylaws adopted have been

1 attached as an exhibit to the application for a certificate  
2 of authority. The application for a certificate of  
3 authority shall state who the officers, directors and  
4 stockholders are at that time and attach evidence that  
5 appropriate federal insurance of deposits has been  
6 obtained, where applicable. The state banking commissioner  
7 shall approve or deny an application for a certificate of  
8 authority not more than thirty (30) days after a complete  
9 application has been filed. If the state banking  
10 commissioner approves the application, he shall issue a  
11 certificate of authority to the converted special purpose  
12 depository institution not later than twenty (20) days  
13 after approval of the application. If the state banking  
14 commissioner denies the application, he shall mail a notice  
15 of denial to the converted special purpose depository  
16 institution not later than twenty (20) days after denial of  
17 the application, stating the reasons for denying the  
18 application, and grant to the converted special purpose  
19 depository institution not more than ninety (90) days to  
20 resubmit the application with the necessary corrections. If  
21 the converted special purpose depository institution fails  
22 to comply with requirements of the notice of denial within  
23 ninety (90) days from the receipt of the notice, the

1 approval of the application and articles of incorporation  
2 previously issued to the converted special purpose  
3 depository institution shall be revoked by the state  
4 banking commissioner. The failure of the state banking  
5 commissioner to act upon receipt of a complete application  
6 for a certificate of authority within thirty (30) days  
7 shall be deemed an approval. If a converted special purpose  
8 depository institution fails to commence business in good  
9 faith within one (1) year after the issuance of a  
10 certificate of authority by the state banking commissioner  
11 or any required federal approval, whichever is later, the  
12 charter and certificate of authority shall expire.

13

14 (e) A special purpose depository institution that  
15 results from a conversion under this section shall be  
16 deemed to have been in existence for the same period of  
17 time as the state bank from which it converted and shall  
18 surrender its certificate of authority under W.S. 13-2-213.  
19 Upon completion of the conversion the special purpose  
20 depository institution shall not use the term "state bank"  
21 in its business name or in connection with its ongoing  
22 business.

23

1 (f) The commissioner shall adopt all rules necessary  
2 to implement this section.

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4                   **Section 2.** W.S. 13-12-102(b)(iv) is amended to read:

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6 13-12-102. Applicability of other provisions.

7

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11 (iv) W.S. 13-2-201 through 13-2-214 except as  
12 otherwise provided in W.S. 13-2-216;

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14           **Section 3.** The banking commissioner shall adopt all  
15    rules necessary to implement this act on or before July 1,  
16    2026.

17

## 1 Section 4.

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

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(END)