

**DRAFT ONLY  
NOT APPROVED FOR  
INTRODUCTION**

SENATE FILE NO.

Special purpose depository institutions-amendments.

Sponsored by: Select Committee on Blockchain, Financial  
Technology and Digital Innovation Technology

A BILL

for

1 AN ACT relating to banks, banking and finance; providing  
2 for the conversion of special purpose depository  
3 institutions into public trust companies; amending capital  
4 startup requirements for special purpose depository  
5 institutions; amending deposit requirements; repealing  
6 requirements limiting depositors of special purpose  
7 depository institutions to legal entities and requirements  
8 of legal entities as specified; and providing for effective  
9 dates.

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

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 2 \*\*\*\*\*  
 3 STAFF COMMENT  
 4 As currently drafted, the newly created W.S. 13-5-523 below  
 5 would allow for the conversion of a special purpose  
 6 depository institution into a public trust without having  
 7 to go through the normal formation process required in W.S.  
 8 13-5-501 through 13-5-509, including requirements for a  
 9 public hearing.  
 10 \*\*\*\*\*  
 11 \*\*\*\*\*  
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13 Section 1. W.S. 13-5-523 is created to read:

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15 13-5-523. Conversion from special purpose depository  
 16 institutions.

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18 (a) The commissioner, with approval of the board, may  
 19 convert the charter of a special purpose depository  
 20 institution chartered under W.S. 13-12-115 to a public  
 21 trust company chartered under this article. A conversion  
 22 shall occur as follows:

23

24 (i) A special purpose depository institution  
 25 seeking to convert its charter to a public trust company  
 26 shall file an application to convert that contains a  
 27 comprehensive plan for conversion as required by this  
 28 section and rules promulgated by the commissioner. The

1 application shall include a certificate signed by the  
2 institution's president and a majority of the board of  
3 directors setting forth the action taken to support the  
4 proposed conversion in compliance with this section. The  
5 plan of conversion and a proposed organizational instrument  
6 that includes the information required by W.S. 13-5-501  
7 shall be approved by the shareholders of the special  
8 purpose depository institution prior to submitting an  
9 application for conversion;

10

11 (ii) The application to convert shall include a  
12 comprehensive plan for conversion setting forth any  
13 necessary disposition of assets and liabilities in  
14 reasonable detail to effect the conversion, and any other  
15 plans required by the commissioner. The application shall  
16 be accompanied by a fee established by rule and regulation  
17 of the commissioner. The plan of conversion shall provide  
18 for the discharge or assumption of all known and unknown  
19 claims and liabilities of the special purpose depository  
20 institution. Additionally, the application for conversion  
21 shall include other evidence, certifications, affidavits,  
22 documents or information as the commissioner may require,  
23 including demonstration of how assets and liabilities will

1 be disposed, the timetable for effecting disposition or  
2 transfer of the assets and liabilities and a proposal for  
3 addressing any claims that are asserted after conversion  
4 has been completed.

5

6 (iii) The commissioner shall examine the  
7 application for compliance with this section, W.S. 13-5-510  
8 through 13-5-520 and applicable rules. The commissioner may  
9 conduct a special examination of the special purpose  
10 depository institution, consistent with W.S. 13-12-119(c),  
11 for purposes of evaluating the application.

12

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. 13-5-502 and 13-5-507. Where an  
20 expedited review is allowed by the board, the commissioner  
21 shall approve or deny a conversion application under this  
22 section within ninety (90) days of receipt of a complete  
23 application.

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(c) The application shall not be approved under this section until the board or commissioner, as applicable, has ascertained to the board's or commissioner's satisfaction that the proposed public trust company satisfies all criteria under W.S. 13-5-507(a)(i) through (v), meets all applicable requirements of W.S. 13-5-510 through 13-5-520 and meets any applicable rules to operate in all respects as a public trust company.

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**STAFF COMMENT**

**For reference, W.S. 13-5-507(a) is copied below:**

**13-5-507. Approval or disapproval of application; criteria for approval; action upon application; interim charter; fee.**

(a) Within ninety (90) days after receipt of the transcript of the public meeting or hearing, the board shall in its discretion approve, conditionally approve or disapprove the application, but it shall not approve the application until it has ascertained to its satisfaction:

(i) The proposed public trust company is only being formed for legitimate objects contemplated by the laws of the state;

(ii) The proposed capital and surplus are not less than the required minimum established in W.S. 13-5-511 and are adequate in light of current and prospective conditions;

1 (iii) The proposed officers and directors or  
2 managers have sufficient experience, ability and  
3 professional reputation to afford reasonable promise of  
4 successful operation;

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6 (iv) The name of the proposed public trust  
7 company does not resemble so closely as to cause confusion  
8 the name of any other financial institution transacting  
9 business in the state; and

10  
11 (v) The applicants have complied with all  
12 applicable provisions of law.

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14 \*\*\*\*\*

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16 (d) A public trust company that results from a  
17 conversion under this section shall be deemed to have been  
18 in existence for the same period of time as the special  
19 purpose depository institution from which it converted and  
20 shall surrender its certificate of authority under W.S. 13-  
21 12-116. Upon completion of the conversion the company shall  
22 not use the term "special purpose depository institution"  
23 or "bank" in its business name or in connection with its  
24 ongoing business.

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28 **STAFF COMMENT**  
29 **While Wyoming Statute does provide for a state bank**  
30 **resulting from the conversion of certain federally**  
31 **chartered or out of state banks to be deemed to have been**  
32 **in existence for the same period of time as the converting**  
33 **entity (See W.S. 13-9-310(c)), there does not appear to be**

1 similar language in any of the trust statutes, and there  
2 may be unintended consequences.

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6 (e) The commissioner shall adopt all rules necessary  
7 to implement this section.

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9 Section 2. W.S. 13-12-102(b)(xiv), 13-12-104(a)(iii)  
10 and 13-12-110(b) are amended to read:

11

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

13

14 (b) The following provisions of this title shall not  
15 apply to this chapter:

16

17 (xiv) W.S. 13-5-101 through 13-8-302, except as  
18 otherwise provided in W.S. 13-5-523.

19

20 13-12-104. Requirements relating to depositors;  
21 nature of business.

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23 (a) Except as otherwise provided by subsection (d) of  
24 this section, no depositor shall maintain an account with a  
25 special purpose depository institution or otherwise receive

1 any services from the institution unless the depositor  
2 meets the criteria of this subsection. A depositor shall:

3

4 (iii) Maintain deposits with the institution  
5 totaling not less than ~~five thousand dollars (\$5,000.00)~~  
6 one thousand dollars (\$1,000.00). A depositor shall not be  
7 deemed in violation of this paragraph unless the total  
8 deposit amount is less than one thousand dollars  
9 (\$1,000.00) for five (5) or more consecutive business days;

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

13

14 (b) No special purpose depository institution shall  
15 commence business until the full amount of its authorized  
16 capital is subscribed and all capital stock is fully paid  
17 in. No special purpose depository institution may be  
18 chartered without a paid up surplus fund of not less than  
19 twenty percent (20%) of its legally authorized capital  
20 stock, and undivided profits in an amount not less than  
21 three (3) years of estimated operating expenses in the  
22 amount disclosed pursuant to W.S. 13-12-111(b) or in  
23 another amount required by the commissioner.



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**Section 2.** W.S. 13-12-104(a)(i), (ii) and (iv), (c) and (d) is repealed.

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STAFF COMMENT  
For reference, W.S. 13-12-104 is copied below in its entirety with the repealed language emphasized.

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

(a) Except as otherwise provided by subsection (d) of this section, no depositor shall maintain an account with a special purpose depository institution or otherwise receive any services from the institution unless the depositor meets the criteria of this subsection. A depositor shall:

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

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

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

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

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

(b) Repealed by Laws 2020, ch. 27, 2.

1           (c) Consistent with paragraphs (a)(iv) and (v) of  
 2 this section and in addition to any requirements specified  
 3 by federal law, a special purpose depository institution  
 4 shall require that a potential depositor provide reasonable  
 5 evidence that the person is engaged in a lawful, bona fide  
 6 business, or is likely to open a lawful, bona fide business  
 7 within the next six (6) months. As used in this subsection,  
 8 "reasonable evidence" includes business entity filings,  
 9 articles of incorporation or organization, bylaws,  
 10 operating agreements, business plans, promotional  
 11 materials, financing agreements or other evidence. This  
 12 subsection shall not apply to activities conducted under  
 13 subsection (d) of this section.

14  
 15           (d) A special purpose depository institution may  
 16 conduct incidental activities under W.S. 13-12-103(b)(vii)  
 17 with persons who do not meet the criteria of paragraphs  
 18 (a)(i) through (iv) of this section. The lawful business  
 19 requirements of W.S. 13-12-103(f) shall remain applicable.

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 21 \*\*\*\*\*  
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23           **Section 3.** The banking commissioner shall adopt all  
 24 rules necessary to implement this act on or before July 1,  
 25 2025.

26  
 27           **Section 4.**

28  
 29           (a) Except as otherwise provided by subsection (b) of  
 30 this section, this act is effective July 1, 2025.

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 32           (b) Sections 3 and 4 of this act are effective are  
 33 effective immediately upon completion of all acts necessary

1 for a bill to become law as provided by Article 4, Section  
2 8 of the Wyoming Constitution.

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(END)