

**DRAFT ONLY  
NOT APPROVED FOR  
INTRODUCTION**

SENATE FILE NO.

State bank conversion to SPDI.

Sponsored by: Senator(s) Rothfuss

A BILL

for

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

5

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

7

8 **Section 1.** W.S. 13-12-127 is created to read:

9

10 **13-12-127. Conversion of state bank into special**  
11 **purpose depository institution.**

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1           (a) The commissioner, with approval of the board, may  
2 convert the charter of a state bank chartered under W.S.  
3 13-2-201 et. seq, to a special purpose depository  
4 institution chartered under this article. A conversion  
5 shall occur as follows:

6  
7           (i) A state bank seeking to convert its charter  
8 to a special purpose depository institution shall file an  
9 application to convert that contains a comprehensive plan  
10 for conversion as required by this section and rules  
11 promulgated by the commissioner. The application shall  
12 include a certificate signed by the institution's president  
13 and a majority of the board of directors setting forth the  
14 action taken to support the proposed conversion in  
15 compliance with this section. The plan of conversion and a  
16 proposed organizational instrument that includes the  
17 information required by W.S. 13-12-109 shall be approved by  
18 the shareholders of the state bank prior to submitting an  
19 application for conversion;

20  
21           (ii) The application to convert shall include a  
22 comprehensive plan for conversion setting forth any  
23 necessary disposition of assets and liabilities in

1 reasonable detail to effect the conversion, and any other  
2 plans required by the commissioner. The application shall  
3 be accompanied by a fee consistent with W.S. 13-12-111. The  
4 plan of conversion shall provide for the discharge or  
5 assumption of all known and unknown claims and liabilities  
6 of the state bank. Additionally, the application for  
7 conversion shall include other evidence, certifications,  
8 affidavits, documents or information as the commissioner  
9 may require, including demonstration of how assets and  
10 liabilities will be disposed, the timetable for effecting  
11 disposition or transfer of the assets and liabilities and a  
12 proposal for addressing any claims that are asserted after  
13 conversion has been completed;

14

15 (iii) The commissioner shall examine the  
16 application for compliance with this section, the  
17 requirements of W.S. 13-12-102 through 13-12-116 and 13-12-  
18 118 that are not inconsistent with this section and  
19 applicable rules.

20

21 (b) Upon receipt of a complete application, the  
22 commissioner shall notify the board. The board, in its  
23 discretion, may allow the commissioner to proceed with

1 approval of an application on an expedited basis without  
2 further oversight or approval by the board or, if deemed  
3 necessary by the board, the board may require a process  
4 consistent with W.S. 13-12-112 through 13-12-115. Where an  
5 expedited review is allowed by the board, the commissioner  
6 shall approve or deny a conversion application under this  
7 section not more than ninety (90) days after receipt of a  
8 complete application.

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

19  
20 (d) If the application is approved and a charter is  
21 granted by the board or commissioner, the converting state  
22 bank shall not commence business as a special purpose  
23 depository institution before receiving a certificate of

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

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

21

22 (e) A special purpose depository institution that  
23 results from a conversion under this section shall be

1 deemed to have been in existence for the same period of  
2 time as the state bank from which it converted and shall  
3 surrender its certificate of authority under W.S. 13-2-213.  
4 Upon completion of the conversion the special purpose  
5 depository institution shall not use the term "state bank"  
6 in its business name or in connection with its ongoing  
7 business.

8  
9 (f) The commissioner shall adopt all rules necessary  
10 to implement this section.

11

12 **Section 2.** The banking commissioner shall adopt all  
13 rules necessary to implement this act on or before July 1,  
14 2026.

15

16 **Section 3.**

17

18 (a) Except as otherwise provided by subsection (b) of  
19 this section, this act is effective July 1, 2026.

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21 (b) Sections 2 and 3 of this act are effective  
22 immediately upon completion of all acts necessary for a

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

3

4 (END)