

ENROLLED ACT NO. 47, HOUSE OF REPRESENTATIVES

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2019 GENERAL SESSION

AN ACT relating to banking; making legislative findings; creating special purpose depository institutions as a new financial institution; providing that special purpose depository institutions shall be corporations; requiring that depositors be business entities; specifying compliance with applicable federal laws; establishing procedures for the incorporation, chartering and operation of special purpose depository institutions; establishing procedures for liquidation, conservatorship and voluntary dissolution; requiring a surety bond or pledged investments and specified private insurance; authorizing special purpose depository institutions to obtain federal deposit insurance; making conforming amendments; authorizing positions; providing an appropriation; and providing for effective dates.

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

Section 1.

(a) The legislature finds the following:

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

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

(iii) Blockchain innovators have greater compliance challenges with federal customer identification, anti-money laundering and beneficial ownership requirements

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because of the complex nature of these obligations and the unfamiliarity of regulators with blockchain innovators' businesses;

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

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

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

(vii) A new type of Wyoming financial institution that has expertise with customer identification, anti-money laundering and beneficial ownership requirements could seamlessly integrate these requirements into its operating model; and

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

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

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CHAPTER 12
SPECIAL PURPOSE DEPOSITORY INSTITUTIONS

13-12-101. Short title.

This chapter may be cited as the "Special Purpose Depository Institutions Act."

13-12-102. Applicability of other provisions.

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

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

- (i) W.S. 13-1-101(a)(vii);
- (ii) W.S. 13-1-201;
- (iii) W.S. 13-2-101;
- (iv) W.S. 13-2-201 through 13-2-214;
- (v) W.S. 13-2-301;
- (vi) W.S. 13-2-709;
- (vii) W.S. 13-3-102;
- (viii) W.S. 13-3-203;
- (ix) W.S. 13-3-401 through 13-3-405;

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- (x) W.S. 13-3-701 through 13-3-703;
- (xi) W.S. 13-4-201 and 13-4-202(a)(i) through
(iii);
- (xii) W.S. 13-4-206;
- (xiii) W.S. 13-4-302; and
- (xiv) W.S. 13-5-101 through 13-8-302.

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

13-12-103. Special purpose depository institutions created as corporations; operating authority; powers; prohibition on lending.

(a) Consistent with this chapter, special purpose depository institutions shall be organized as corporations under the Wyoming Business Corporation Act to exercise the powers set forth in subsection (b) of this section.

(b) Each special purpose depository institution may:

- (i) Make contracts as a corporation under Wyoming law;
- (ii) Sue and be sued;
- (iii) Receive notes and buy and sell gold and silver coins and bullion as permitted by federal law;

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

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

(vi) Make an application to become a member bank of the federal reserve system;

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

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

(c) Except as otherwise provided in this subsection, a special purpose depository institution shall not make loans, including the provision of temporary credit relating to overdrafts. A special purpose depository institution may purchase debt obligations specified by W.S. 13-12-105(b)(iii).

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

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(e) As otherwise authorized by this section, the special purpose depository institution may conduct business with depositors outside this state.

(f) Subject to the laws of the host state, a special purpose depository institution may open a branch in another state in the manner set forth in W.S. 13-2-803. A special purpose depository institution, including any branch of the institution, may only accept deposits or provide other services under this chapter to depositors engaged in a bona fide business which is lawful under the laws of Wyoming, the laws of the host state and federal law.

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

(a) 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 the United States 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

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with anti-money laundering, customer identification and beneficial ownership requirements, as determined by the institution.

(b) A depositor which meets the criteria of subsection (a) of this section shall be issued a depository account and otherwise receive services from the special purpose depository institution, contingent on the availability of sufficient insurance under W.S. 13-12-119(e).

(c) Consistent with paragraphs (a)(iv) and (v) of this section and in addition to any requirements specified by federal law, a special purpose depository institution shall require that a potential depositor provide reasonable evidence that the person is engaged in a lawful, bona fide business, or is likely to open a lawful, bona fide business within the next six (6) months. As used in this subsection, "reasonable evidence" includes business entity filings, articles of incorporation or organization, bylaws, operating agreements, business plans, promotional materials, financing agreements or other evidence.

13-12-105. Required liquid assets.

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

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

(i) United States currency held on the premises of the special purpose depository institution;

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

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

13-12-106. Required contingency account.

(a) A special purpose depository institution shall maintain a contingency account to account for unexpected losses and expenses. A special purpose depository institution may require the payment of contributions from depositors to fund a contingency account. Initial capital under W.S. 13-12-110 shall constitute compliance with this subsection for the first three (3) years a special purpose depository institution is in operation. After the conclusion of the first three (3) years of operation, a special purpose depository institution shall maintain a contingency account totaling not less than two percent (2%) of the depository liabilities of the special purpose depository institution, provided that the contingency account shall be adequate and reasonable in light of current and prospective business conditions, as determined by the commissioner.

(b) A depositor shall obtain a refund of any contingency account contributions made under subsection (a) of this section after closing an account with the special purpose depository institution.

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

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A special purpose depository institution shall comply with all applicable federal laws, including those relating to anti-money laundering, customer identification and beneficial ownership.

13-12-108. Required disclosures.

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

(b) Upon opening an account and if applicable, a special purpose depository institution shall require each depositor to execute a statement acknowledging that all deposits at the special purpose depository institution are not insured by the federal deposit insurance corporation. The special purpose depository institution shall permanently retain this acknowledgment.

(c) A special purpose depository institution shall include in all advertising a disclosure that deposits are not insured by the federal deposit insurance corporation, if applicable.

13-12-109. Formation; articles of incorporation.

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

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

(i) The corporate name;

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

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

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

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

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

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

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

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

(d) The incorporators shall solicit capital prior to filing an application for a charter with the commissioner,

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consistent with W.S. 13-12-110. In the event an application for a charter is not filed or is denied by the board, all capital shall be promptly returned without loss.

(e) Subject to applicable federal and state law, a bank holding company may apply to hold a special purpose depository institution.

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

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

(b) No special purpose depository institution shall commence business until the full amount of its authorized capital is subscribed and all capital stock is fully paid in. No special purpose depository institution may be chartered without a paid up surplus fund of not less than three (3) years of estimated operating expenses in the amount disclosed pursuant to W.S. 13-12-111(b) or in another amount required by the commissioner.

(c) A special purpose depository institution may acquire additional capital prior to the granting of a charter and may report this capital in its charter application.

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

(a) No person shall act as a special purpose depository institution without first obtaining a charter and certificate

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of authority to operate from the commissioner under this chapter.

(b) The incorporators under W.S. 13-12-109(a) shall apply to the commissioner for a charter. The application shall contain the special purpose depository institution's articles of incorporation, a detailed business plan, a comprehensive estimate of operating expenses for the first three (3) years of operation, a complete proposal for compliance with the provisions of this chapter and evidence of the capital required under W.S. 13-12-110. The commissioner may prescribe the form of application by rule.

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

(d) The special purpose depository institutions subaccount within the financial institutions administration account is created. Funds in the subaccount shall be used by the commissioner to supervise special purpose depository institutions and to otherwise carry out the duties specified by this chapter. Funds in the subaccount are continuously appropriated to the subaccount and shall not lapse at the end of any fiscal period. For purposes of accounting and investing only, the special purpose depository institutions subaccount shall be treated as a separate account from the financial institutions administration account.

13-12-112. Procedure upon filing application.

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

(b) Within thirty (30) days after receipt of notice of the time and place of the public hearing, the applicants shall cause notice of filing of the application and the hearing to be published at the applicants' expense in a newspaper of general circulation within the county where the proposed special purpose depository institution is to be located. Publication shall be made at least once a week for three (3) consecutive weeks before the hearing, stating the proposed location of the special purpose depository institution, the names of the applicants for a charter, the nature of the activities to be conducted by the proposed institution and other information required by rule. The applicants shall furnish proof of publication to the commissioner not more than ten (10) days prior to the hearing. The commissioner shall send notice of the hearing to state and national banks, federal savings and loan associations and other financial institutions in the state and federal agencies who have requested notice from the commissioner.

13-12-113. Procedure for hearings on charter applications.

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The hearing for a charter application shall be conducted as a contested case under the Wyoming Administrative Procedure Act and shall comply with the requirements of that act.

13-12-114. Investigation and examination by commissioner.

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

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

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

(iii) The application for a charter, including the adequacy and plausibility of the business plan of the special purpose depository institution and whether the institution has offered a complete proposal for compliance with the provisions of this chapter.

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

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

(a) Within ninety (90) days after receipt of the transcript of the public hearing, the board shall render a decision on the charter application based solely on the following criteria:

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

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

(iii) The adequacy and plausibility of the business plan of the special purpose depository institution;

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

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

(vi) That the name of the proposed special purpose depository institution does not resemble so closely the name of any other financial institution transacting business in the state so as to cause confusion; and

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

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(b) The board shall approve an application upon making favorable findings on the criteria set forth in subsection (a) of this section. If necessary, the board may either conditionally approve an application by specifying conditions relating to the criteria or may disapprove the application. The board shall state findings of fact and conclusions of law as part of its decision. If the board approves the application, the commissioner shall endorse upon the articles of incorporation the approval of the board and shall transmit one (1) copy to the secretary of state, retain one (1) copy and return a copy to the applicants within twenty (20) days after the date of the decision of the board approving the application. If the board conditionally approves an application and upon compliance with necessary conditions required by the board, the commissioner shall proceed as provided in the preceding sentence. If the board disapproves the application, the commissioner shall mail notice of the disapproval to the applicants within twenty (20) days of the board's disapproval.

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

(a) If an application is approved and a charter granted by the board under W.S. 13-12-115, the special purpose depository institution shall not commence business before receiving a certificate of authority to operate from the commissioner. The application for a certificate of authority shall be made to the commissioner and shall certify the address at which the special purpose depository institution will operate and that all adopted bylaws of the institution have been attached as an exhibit to the application. The application shall state the identities and contact

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information of officers and directors. The commissioner shall approve or deny an application for a certificate of authority to operate within thirty (30) days after a complete application has been filed. The authority of the commissioner to disapprove any application shall be restricted solely to noncompliance with this section, provided that if the commissioner approves the application, he shall issue a certificate of authority to the applicants within twenty (20) days. If the commissioner denies the application, he shall mail a notice of denial to the applicants within twenty (20) days, stating the reasons for denying the application, and grant to the applicants a period of ninety (90) days to resubmit the application with the necessary corrections. If the applicants fail to comply with requirements of the notice of denial within ninety (90) days from the receipt of the notice, the charter of the special purpose depository institution shall be revoked by the commissioner. The failure of the commissioner to act upon an application for a certificate of authority within thirty (30) days shall be deemed an approval.

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

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

Any decision of the board or commissioner in approving, conditionally approving or disapproving a charter for a

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special purpose depository institution or the issuance or denial of a certificate of authority to operate is appealable to the district court of the county in which the institution is to be located, in accordance with the provisions of the Wyoming Administrative Procedure Act. In addition to the grounds for appeal contained in the Wyoming Administrative Procedure Act, an appellant may appeal if the board or the commissioner fails to make any of the required findings or otherwise take an action required by law.

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

(a) Except as otherwise provided by subsection (b) of this section, a special purpose depository institution shall, before transacting any business, pledge or furnish a surety bond to the commissioner to cover costs likely to be incurred by the commissioner in a liquidation or conservatorship of the special purpose depository institution. The amount of the surety bond or pledge of assets under subsection (b) of this section shall be determined by the commissioner in an amount sufficient to defray the costs of a liquidation or conservatorship.

(b) In lieu of a bond, a special purpose depository institution may irrevocably pledge specified capital equivalent to a bond under subsection (a) of this section. Any capital pledged to the commissioner under this subsection shall be held in a state or nationally chartered bank or savings and loan association having a principal or branch office in this state. All costs associated with pledging and holding such capital are the responsibility of the special purpose depository institution.

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

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

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

(f) In the event of a liquidation or conservatorship of a special purpose depository institution pursuant to W.S. 13-12-122, the commissioner may, without regard to priorities, preferences or adverse claims, reduce the surety bond or capital pledged under this section to cash as soon as practicable and utilize the cash to defray the costs associated with the liquidation or conservatorship.

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

(h) Upon evidence that the current surety bond or pledged capital is insufficient, the commissioner may require a special purpose depository institution to increase its surety bond or pledged capital by providing not less than thirty (30) days written notice to the institution. The special purpose depository institution may request a hearing before the board not more than thirty (30) days after receiving written notice from the commissioner under this

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subsection. Any hearing before the board shall be held pursuant to the Wyoming Administrative Procedure Act.

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

(a) The commissioner may call for reports verified under oath from a special purpose depository institution at any time as necessary to inform the commissioner of the condition of the institution.

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

(c) Every special purpose depository institution is subject to the examination of the commissioner. The commissioner or a duly appointed examiner shall visit and examine special purpose depository institutions on a schedule established by rule. The commissioner or a duly appointed examiner shall make a complete and careful examination of the condition and resources of a special purpose depository institution, the mode of managing institution affairs and conducting business, the actions of officers and directors in the investment and disposition of funds, the safety and prudence of institution management, compliance with the requirements of this chapter and such other matters as the commissioner may require. After an examination, the special purpose depository institution shall remit to the commissioner an amount equal to the total cost of the examination. This amount shall be remitted to the state treasurer and deposited into the special purpose depository institutions subaccount created by W.S. 13-12-111(d).

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(d) On or before January 31 and July 31 of each year, a special purpose depository institution shall compute and pay supervisory fees to the commissioner based on the total assets of the special purpose depository institution as of the preceding December 31 and June 30 respectively. Supervisory fees under this section shall provide for the operating costs of the office of the commissioner and the administration of the laws governing special purpose depository institutions. Such fees shall be established by rule of the commissioner and shall be adjusted by the commissioner to assure consistency with the cost of supervision. Supervisory fees shall be deposited by the commissioner with the state treasurer and credited to the special purpose depository institutions subaccount created by W.S. 13-12-111(d).

(e) A special purpose depository institution shall maintain appropriate insurance or a bond covering the operational risks of the institution, which shall include coverage for directors' and officers' liability, errors and omissions liability and information technology infrastructure and activities liability.

13-12-120. Suspension or revocation of charter.

(a) The commissioner may suspend or revoke the charter of a special purpose depository institution if, after notice and opportunity for a hearing, the commissioner determines that:

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

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

(iii) An officer, director or agent of the special purpose depository institution, in connection with an application for a charter, examination, report or other document filed with the commissioner, knowingly made a false statement, material misrepresentation or material omission to the board, the commissioner or the duly authorized agent of the board or commissioner.

13-12-121. Continuing jurisdiction.

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

13-12-122. Failure of institution; unsound or unsafe condition; applicability of other insolvency and conservatorship provisions.

(a) If the commissioner finds that a special purpose depository institution has failed or is operating in an unsafe or unsound condition, as defined in this section, that has not been remedied within the time prescribed under W.S. 13-4-203 through 13-4-205 or an order of the commissioner issued pursuant to W.S. 13-10-201 through 13-10-209, the commissioner shall conduct a liquidation or appoint a conservator as provided by W.S. 13-4-301 and 13-4-303 through 13-4-703.

(b) As used in this section:

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(i) "Failed" or "failure" means, consistent with rules adopted by the commissioner, a circumstance when a special purpose depository institution has not:

(A) Complied with the requirements of W.S. 13-12-105;

(B) Maintained a contingency account, as required by W.S. 13-12-106;

(C) Paid, in the manner commonly accepted by business practices, its legal obligations to depositors on demand or to discharge any certificates of deposit, promissory notes or other indebtedness when due.

(ii) "Unsafe or unsound condition" means, consistent with rules adopted by the commissioner, a circumstance relating to a special purpose depository institution which is likely to:

(A) Cause the failure of the institution, as defined in paragraph (i) of this subsection;

(B) Cause a substantial dissipation of assets or earnings;

(C) Substantially disrupt the services provided by the institution to depositors;

(D) Otherwise substantially prejudice the depository interests of depositors.

13-12-123. Voluntary dissolution of special purpose depository institution; liquidation; reorganization;

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application for dissolution; filing fee; filing with the secretary of state; revocation of charter.

(a) A special purpose depository institution may voluntarily dissolve in accordance with the provisions of this section. Voluntary dissolution shall be accomplished by either liquidating the special purpose depository institution or reorganizing the institution into an appropriate business entity that does not engage in any activity authorized only for a special purpose depository institution. Upon complete liquidation or completion of the reorganization, the commissioner shall revoke the charter of the special purpose depository institution and afterward, the company shall not use the word "special purpose depository institution" or "bank" in its business name or in connection with its ongoing business.

(b) The special purpose depository institution may dissolve its charter either by liquidation or reorganization. The board of directors shall file an application for dissolution with the commissioner, accompanied by a filing fee established by rule of the commissioner. The application shall include a comprehensive plan for dissolution setting forth the proposed disposition of all assets and liabilities, in reasonable detail to effect a liquidation or reorganization, and any other plans required by the commissioner. The plan of dissolution shall provide for the discharge or assumption of all of the known and unknown claims and liabilities of the special purpose depository institution. Additionally, the application for dissolution shall include other evidence, certifications, affidavits, documents or information as the commissioner may require, including demonstration of how assets and liabilities will be disposed, the timetable for effecting disposition of the assets and liabilities and a proposal of the special purpose

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depository institution for addressing any claims that are asserted after dissolution has been completed. The commissioner shall examine the application for compliance with this section, the business entity laws applicable to the required type of dissolution and applicable rules. The commissioner may conduct a special examination of the special purpose depository institution, consistent with W.S. 13-12-119(c), for purposes of evaluating the application.

(c) If the commissioner finds that the application is incomplete, the commissioner shall return it for completion not later than sixty (60) days after it is filed. If the application is found to be complete by the commissioner, the commissioner shall approve or disapprove the application not later than thirty (30) days after it is filed. If the commissioner approves the application, the special purpose depository institution may proceed with the dissolution pursuant to the plan outlined in the application, subject to any further conditions the commissioner may prescribe. If the special purpose depository institution subsequently determines that the plan of dissolution needs to be amended to complete the dissolution, it shall file an amended plan with the commissioner and obtain approval to proceed under the amended plan. If the commissioner does not approve the application or amended plan, the special purpose depository institution may appeal the decision to the board pursuant to the Wyoming Administrative Procedure Act.

(d) Upon completion of all actions required under the plan of dissolution and satisfaction of all conditions prescribed by the commissioner, the special purpose depository institution shall submit a written report of its actions to the commissioner. The report shall contain a certification made under oath that the report is true and correct. Following receipt of the report, the commissioner,

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no later than sixty (60) days after the filing of the report, shall examine the special purpose depository institution to determine whether the commissioner is satisfied that all required actions have been taken in accordance with the plan of dissolution and any conditions prescribed by the commissioner. If all requirements and conditions have been met, the commissioner shall, within thirty (30) days of the examination, notify the special purpose depository institution in writing that the dissolution has been completed and issue a certificate of dissolution.

(e) Upon receiving a certificate of dissolution, the special purpose depository institution shall surrender its charter to the commissioner. The special purpose depository institution shall then file articles of dissolution and other documents required by W.S. 17-16-1401 through 17-16-1440 for a corporation with the secretary of state. In the case of reorganization, the special purpose depository institution shall file the documents required by the secretary of state to finalize the reorganization.

(f) If the commissioner determines that all required actions under the plan for dissolution, or as otherwise required by the commissioner, have not been completed, the commissioner shall notify the special purpose depository institution, not later than thirty (30) days after this determination, in writing what additional actions shall be taken in order for the institution to be eligible for a certificate of dissolution. The commissioner shall establish a reasonable deadline for the submission of evidence that additional actions have been taken and the commissioner may extend any deadline upon good cause. If the special purpose depository institution fails to file a supplemental report showing that the additional actions have been taken before the deadline, or submits a report that is found not to be

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satisfactory by the commissioner, the commissioner shall notify the special purpose depository institution in writing that its voluntary dissolution is not approved, and the institution may appeal the decision to the board pursuant to the Wyoming Administrative Procedure Act.

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

If a special purpose depository institution fails to submit any report required by this chapter or by rule within the prescribed period, the commissioner may impose and collect a fee for each day the report is overdue, as established by rule.

13-12-125. Willful failure to perform duties imposed by law; removal.

(a) Each officer, director, employee or agent of a special purpose depository institution, following written notice from the commissioner, is subject to removal upon order of the commissioner if he knowingly or willfully fails to:

(i) Perform any duty required by this act or other applicable law; or

(ii) Conform to any rule or order of the commissioner.

13-12-126. Rules.

The commissioner shall adopt all rules necessary to implement this chapter, consistent with W.S. 13-12-107.

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Section 3. W.S. 13-1-101(a)(i) and by creating a new paragraph (xvi), 13-1-201, 13-1-203, 13-1-204, 13-1-605(b) by creating a new paragraph (vii), 13-2-103 and 13-10-201(a)(iv) are amended to read:

13-1-101. Definitions.

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

(i) "Bank" means any corporation, excluding national banks, having a place of business within this state which engages in banking business, and includes a special purpose depository institution, subject to the limitations set forth in W.S. 13-12-101 through 13-12-126;

(xvi) "Special purpose depository institution" means a corporation operating pursuant to W.S. 13-12-101 through 13-12-126.

13-1-201. Generally.

Subject to W.S. 13-12-102, this act applies to all banks in this state organized under this act and to national banks where specifically provided by the text.

13-1-203. Compliance required.

No person or entity shall carry on a banking business except in compliance with this act or W.S. 13-12-101 through 13-12-126.

13-1-204. Use of terms or names.

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(a) No person or entity shall advertise, issue or circulate any paper or exhibit any sign using any of the terms "bank", "banker", "banking", "special purpose depository institution", or words of similar import, or use the name of any other financial institution as defined by W.S. 13-1-101(a)(ix) until they have fully complied with this act or W.S. 13-12-101 through 13-12-126.

(b) Consistent with subsection (a) of this section, a special purpose depository institution may refer to itself as a bank.

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

(b) The banking board shall:

(vii) Perform the duties prescribed in W.S. 13-12-101 through 13-12-126.

13-2-103. Federal deposit insurance.

(a) All banks, except special purpose depository institutions, shall obtain insurance of their deposits by the United States and shall subscribe for insurance of deposit accounts by the federal deposit insurance corporation (FDIC).

(b) Nothing in this section shall be construed as prohibiting a special purpose depository institution from obtaining FDIC insurance, if available.

13-10-201. Definitions.

(a) As used in this article:

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(iv) "Wyoming financial institution" means any bank, savings and loan association, special purpose depository institution or trust company chartered or organized under the laws of Wyoming.

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

Section 5. The department of audit is authorized two (2) additional full-time employees for the purposes of this act. There is appropriated one hundred seventy-five thousand six hundred four dollars (\$175,604.00) of special revenue funds from the financial institutions administration account to the department of audit. This appropriation shall be for the period beginning with the effective date of this act and ending June 30, 2020. Notwithstanding any other provision of law, this appropriation shall not be transferred or expended for any other purpose and any unexpended, unobligated funds remaining from this appropriation shall revert as provided by law on June 30, 2020.

Section 6.

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

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BILL NO. HB0074

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

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the House.

Chief Clerk