

**ASSEMBLY BILL 167 (LRB -0176)**

An Act to renumber 66.0603 (3); to renumber and amend 66.0603 (1m) (b); to amend 119.04 (1); and to create 66.0603 (1m) (b) 3. and 66.0603 (3) (b) of the statutes; relating to: the investment by school districts of funds held in trust to provide post-employment benefits.

**2005**

09-15.	A.	Introduced by Representatives <b>Towns, Hundertmark, Mursau, Nischke, Hines, Townsend, Gielow, Strachota, Musser, Hahn, Gunderson, Molepske, Jeskewitz, Albers, Lehman, Petrowski, Kestell, Krawczyk, Ott and Freese</b> ; cosponsored by Senators <b>Olsen, Grothman, Harsdorf and Lazich.</b>	
03-03.	A.	Read first time and referred to committee on Education .....	105
03-22.	A.	Public hearing held.	
04-19.	A.	Executive action taken.	
04-19.	A.	Assembly amendment 1 offered by committee on Education ( <b>LRB a0297</b> ) .....	199
04-22.	A.	Report Assembly Amendment 1 adoption recommended by committee on Education, Ayes 10, Noes 1 .....	201
04-22.	A.	Report passage as amended recommended by committee on Education, Ayes 11, Noes 0 .....	201
04-22.	A.	Referred to committee on Rules .....	201
05-04.	A.	Placed on calendar 5-10-2005 by committee on Rules.	
05-10.	A.	Representative M. Williams added as a coauthor .....	234
05-10.	A.	Read a second time .....	234
05-10.	A.	Assembly amendment 1 <b>adopted</b> .....	234
05-10.	A.	Ordered to a third reading .....	234
05-10.	A.	Rules suspended .....	234
05-10.	A.	Read a third time and <b>passed</b> .....	234
05-10.	A.	Ordered immediately messaged .....	234
05-11.	S.	Received from Assembly .....	213
05-11.	S.	Read first time and referred to committee on Education .....	214
09-15.	S.	Public hearing held.	
09-19.	S.	Executive action taken.	
09-21.	S.	Report concurrence recommended by committee on Education, Ayes 7, Noes 0 .....	359
09-21.	S.	Available for scheduling.	
11-02.	S.	Placed on calendar 11-8-2005 by committee on Senate Organization.	
11-08.	S.	Read a second time.	
11-08.	S.	Ordered to a third reading.	
11-08.	S.	Rules suspended.	
11-08.	S.	Read a third time and <b>concurred in.</b>	
11-08.	S.	Ordered immediately messaged.	
11-09.	A.	Received from Senate concurred in.	

**2005  
ENROLLED BILL**

05en AB-167

**ADOPTED DOCUMENTS:**

Orig     Engr     SubAmdt

05-01761

Amendments to above (if none, write "NONE"): AA1

Corrections - show date (if none, write "NONE"): none

Topic relax

11/9/05    Peter R. ...  
Date                      Enrolling Drafter

**ELECTRONIC PROCEDURE:**

Follow automatic or manual enrolling procedures in *TEXT2000 Reference Guide, Document Specific Procedures, Ch. 20, Engrossing and Enrolling*

**DISTRIBUTION:**

**HOUSE OF ORIGIN:**

- 11 copies plus bill jacket
- Secretary of State's envelope containing 4 copies plus newspaper notice

**REVISOR OF STATUTES:**

- 5 copies

**DEPARTMENT OF ADMINISTRATION:**

- 2 copies

**LRB:**

- Drafting file ..... original
- Drafting attorney ..... 1 copy
- Legislative editors ..... 1 copy each
- Reference section ..... 1 copy
- Bill index librarian ..... 1 copy

## 2005 ASSEMBLY BILL 167

March 3, 2005 – Introduced by Representatives TOWNS, HUNDERTMARK, MURSAU, NISCHKE, HINES, TOWNSEND, GIELOW, STRACHOTA, MUSSER, HAHN, GUNDERSON, MOLEPSKE, JESKEWITZ, ALBERS, LEHMAN, PETROWSKI, KESTELL, KRAWCZYK, OTT and FREESE, cosponsored by Senators OLSEN, GROTHMAN, HARSDFORF and LAZICH. Referred to Committee on Education.

1     **AN ACT** *to renumber* 66.0603 (3); *to renumber and amend* 66.0603 (1m) (b);  
2             *to amend* 119.04 (1); and *to create* 66.0603 (1m) (b) 3. and 66.0603 (3) (b) of  
3             the statutes; **relating to:** the investment by school districts of funds held in  
4             trust to provide post–employment benefits.

---

***Analysis by the Legislative Reference Bureau***

Current law restricts the manner in which a school district may invest its funds. This bill authorizes a school district to invest and reinvest funds that are held in trust, other than funds held in the public employee trust fund, solely to provide post–employment benefits in the manner provided under the Uniform Prudent Investor Act, which took effect in Wisconsin on April 30, 2004.

---

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

5             **SECTION 1.** 66.0603 (1m) (b) of the statutes is renumbered 66.0603 (1m) (b) 1.  
6             and amended to read:  
7             66.0603 (1m) (b) 1. A town, city, or village may invest surplus funds in any  
8             bonds or securities issued under the authority of the municipality, whether the bonds

**ASSEMBLY BILL 167****SECTION 1**

1 or securities create a general municipality liability or a liability of the property  
2 owners of the municipality for special improvements, and may sell or hypothecate  
3 the bonds or securities. Funds of an employer, as defined by s. 40.02 (28), in a  
4 deferred compensation plan may also be invested and reinvested in the same manner  
5 authorized for investments under s. 881.01.

6 2. Funds of any school district operating under ch. 119, held in trust for pension  
7 plans intended to qualify under section 401 (a) of the Internal Revenue Code, other  
8 than funds held in the public employee trust fund, may be invested and reinvested  
9 in the same manner as is authorized for investments under s. 881.01.

10 **SECTION 2.** 66.0603 (1m) (b) 3. of the statutes is created to read:

11 66.0603 (1m) (b) 3. A school district may invest and reinvest funds that are held  
12 in trust, other than funds held in the public employee trust fund, solely to provide  
13 any of the following benefits, in the same manner as is authorized for investments  
14 under s. 881.01:

15 a. Post-employment health care benefits provided either separately or through  
16 a defined benefit pension plan.

17 b. Other post-employment benefits provided separately from a defined benefit  
18 pension plan.

19 **SECTION 3.** 66.0603 (3) of the statutes is renumbered 66.0603 (3) (a).  
*2-18 AAC*

20 **SECTION 4.** 66.0603 (3) (b) of the statutes is created to read:

21 66.0603 (3) (b) In addition to the authority granted under sub. (2), a school  
22 district may delegate the investment authority over the funds described under sub.  
23 (1m) (b) 3. to an investment manager who meets the requirements and qualifications  
24 specified in the trust's investment policy and who is registered as an investment  
25 adviser under 15 USC 80b-3.



**ASSEMBLY AMENDMENT 1,  
TO 2005 ASSEMBLY BILL 167**

April 19, 2005 – Offered by COMMITTEE ON EDUCATION.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 2, line 18: after that line insert:

3 **“SECTION 2m.** 66.0603 (1m) (b) 4. of the statutes is created to read:

4 66.0603 (1m) (b) 4. A school board may not discuss or vote on establishing a  
5 trust fund to provide the benefits described in subd. 3. unless the notice of the school  
6 board meeting at which the discussion or vote may occur includes the issue as a  
7 separate agenda item.”

2-18

8 **2.** Page 3, line 9: after that line insert:

9 **“SECTION 6m.** 120.11 (3) of the statutes is amended to read:

10 120.11 (3) Before the annual meeting, the school board shall meet to examine  
11 the accounts of the school district treasurer and to prepare a full, itemized written  
12 report which shall be presented and read at the annual meeting. The report shall  
13 state all receipts and expenditures of the school district since the last annual

3-9



2-9 cont

1 meeting, the current cash balance of the school district, the amount of the deficit and  
2 the bills payable of the school district, the amount necessary to be raised by taxation  
3 for the support of the schools of the school district for the ensuing year and the  
4 amount required to pay the interest and principal of any debt due during the ensuing  
5 year. The report also shall include the budget summary required under s. 65.90. If  
6 a school board has established a trust described in s. 66.0603 (1m) (b) 3., the report  
7 shall also state the amount in the trust, the investment return earned by the trust  
8 since the last annual meeting, the total of disbursements made from the trust since  
9 the last annual meeting, and the name of the investment manager if investment  
10 authority has been delegated under s. 66.0603 (3) (b). The school district clerk shall  
11 copy the report, with the action taken thereon, and all other proceedings of the  
12 annual meeting in full in the school district record book.”

13

(END)