

No. 332, S.]

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CHAPTER 507

AN ACT to repeal 14.45, 25.15 (4) and (5), 25.17 (11) and 34.03 (1) (j); to renumber 25.17 (5); to renumber and amend 20.480 (72), 25.17 (10), 25.18 (2) and 34.03 (1) (c); to amend 25.14 (1) and (2), 25.15 (1), as amended by chapter 2, laws of 1961, 25.15 (3), 25.16, 25.17 (1) (g), (p) and (v), (3) (a), (b) and (c), (4), (14) (intro. par.), (a) 2, (b) and (d) and (15), 25.18 (1), 34.01 (4) and (6), 34.026, 34.03 (1) (intro. par.), (d), (f), (i) and (L), 34.04 (1) and (3), 34.05 (1), (2) and (4), 34.08 (1) (a), (2) and (3) (a), 34.09, 34.10, 34.11 and 66.04 (2); to repeal and recreate 25.15 (2); and to create 25.155, 25.156, 25.17 (51), (61) and (62) and 25.18 (1) (d) of the statutes, relating to the selection of investment board trustees, adding duties thereto, transferring certain functions to the commissioner of banks, granting rule-making power, providing penalties and making appropriations.

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

SECTION 1. 14.45 of the statutes is repealed.

SECTION 2. 20.480 (72) of the statutes is renumbered 20.200 (72) and amended to read:

20.200 (72) All moneys paid into the state deposit fund are appropriated to the * * * *commissioner of banks*, to carry out the purposes for which said fund was created and to be used as provided in ch. 34.

SECTION 3. 25.14 (1) and (2) of the statutes are amended to read:

25.14 (1) There is created a state investment fund under the jurisdiction and management of the state of Wisconsin investment board (hereinafter referred to as "board") to be operated as an investment trust for the purpose of managing the securities of all the state's funds consisting of the funds specified in s. 25.17 (1) except the conservation wardens pension

fund, * * * state insurance fund, state life fund, state teachers retirement fund, Milwaukee teachers retirement fund, Wisconsin retirement fund, state building trust fund, the trust funds of the state historical society, funds which by the constitution are required to be controlled and invested by the commissioners of public lands, funds which are required by specific provision of law to be controlled and invested by any other authority, the university trust funds and the trust funds of the state colleges *except that the respective authorities controlling the investment of any such excluded fund or funds may authorize the transfer of any temporary cash assets of any such excluded fund or funds to the state investment fund in accordance with subs. (2) and (3).*

(2) At such time as the board * * * determines, all of the securities held by any of the state's funds, except those specifically excluded in sub. (1), shall be transferred, at the market value plus accrued interest as of the date of transfer, to the state investment fund together with such amounts of cash as may be required to provide each contributing fund an equity in the state investment fund which may be expressed in terms of even thousands of dollars. Thereafter, the department of administration shall make such subsequent transfers of money between the individual funds and the state investment fund as in its judgment * * * is advisable *and in accordance with cash requirements of the individual funds, such transfer to be made on the basis of even thousands of dollars, and it shall furnish to the board such information with respect to daily balances of individual funds within the investment fund as may be required.*

SECTION 4. 25.15 (1) of the statutes, as amended by chapter 2, laws of 1961, is amended to read:

25.15 (1) There is created a state of Wisconsin investment board. *The board shall consist of 7 trustees, an executive director, investment directors and employes.* Notwithstanding any other statutes or special laws, the board shall be provided with suitable offices and shall be supplied with necessary furniture, supplies, postage, stationery, equipment and printing on the same basis as other state departments.

SECTION 5. 25.15 (2) of the statutes is repealed and recreated to read:

25.15 (2) The governor shall biennially choose one of the trustees to act as chairman and another to act as vice chairman.

SECTION 6. 25.15 (3) of the statutes is amended to read:

25.15 (3) Regular meetings of the * * * trustees shall be held in each month and special meetings shall be held upon the call of the chairman or any 4 * * * trustees.

SECTION 7. 25.15 (4) and (5) of the statutes are repealed.

SECTION 8. 25.155 and 25.156 of the statutes are created to read:

25.155 TRUSTEES. One trustee shall be the commissioner of administration, who may designate a representative to act in his absence. Four trustees shall be appointed by the governor with the advice and consent of the senate. Such 4 trustees shall be persons who have had at least 10 years of experience in making investments; but any person who has any financial interest in, or is employed by, a person who, or a firm which, is primarily a dealer or broker in securities, or in mortgage or real estate investments, shall not be eligible to be appointed as trustee; and any trustee who acquires such an interest or accepts such employment shall thereupon vacate his office as trustee. One of said 4 trustees shall serve until March 1, 1962; another until March 1, 1963; another until March 1, 1964; and the last until March 1, 1967. Two trustees shall be appointed by the governor

from a list of nominees submitted to him as hereinafter provided. One such trustee shall be a member of the state teachers retirement system who shall serve until March 1, 1965. One such trustee shall be a participant in the Wisconsin retirement fund who shall serve until March 1, 1966. As the term of each appointed trustee expires his successor shall be appointed for a period of 6 years. Prior to the expiration of the term of a trustee representing either of the retirement systems, the governing board of that system shall submit to the governor the name of one or more persons nominated by each board to serve as an investment board trustee. All appointed trustees shall serve until their successors have been appointed and have qualified. All trustees, except full-time state employes shall be paid a per diem of \$50 for each day actually devoted to the performance of their duties, and all trustees shall also be reimbursed for their actual and necessary expenses. Appointed members of the state of Wisconsin investment board on the effective date of this act (1961) shall automatically become trustees and serve out the term for which each was originally appointed.

25.156 POWERS AND DUTIES OF TRUSTEES. (1) The trustees shall be the governing body of the state of Wisconsin investment board and shall prescribe rules and formulate policies deemed necessary and appropriate to carry out the functions of the board.

(2) The trustees shall employ an executive director, who shall serve outside the classified service, at the pleasure of the trustees. Such director shall be qualified by training and prior experience to manage, administer and direct the investment of funds.

(3) The trustees shall appoint an investment director to act as executive director pro tem, except that until such appointment is made by the trustees, the executive director may temporarily designate such director pro tem.

(4) The trustees shall adopt rules restricting the executive director, investment directors and employes from having financial interest, directly or indirectly, in firms or corporations providing services to the department and governing the receipt of gifts or favors therefrom, and also governing personal investments of all employes including the executive director and investment directors to prevent conflicts of interest.

SECTION 9. 25.16 of the statutes is amended to read:

25.16 (1) The executive and administrative functions of the state of Wisconsin investment board shall be vested in an executive director, * * * who shall perform his functions in conformity with the requirements of the * * * trustees and in accordance with policies, principles and directives determined by the * * * trustees.

(2) The executive director shall appoint the employes necessary to perform the duties of the board under the classified service. These shall include * * * investment directors. The * * * trustees shall participate in the selection of such directors. The commissioners on March 1, 1960 shall become directors without qualifying under a competitive examination. Such * * * investment directors, other than those who were commissioners on March 1, 1960, shall serve a probationary period of not less than 6 months nor more than 2 years as determined by the * * * trustees. Neither the executive director, any investment director nor any employe shall have any financial interest, either directly or indirectly, in any firm engaged in the sale or marketing of real estate or investments of any kind, nor shall any of them render investment advice to others for remuneration.

(3) The executive director shall take the official oath and the executive director and each * * * investment director shall file a bond for the faithful performance of his duties in such amount and with such sureties as the * * * trustees require.

(4) * * * The director pro tem shall act in place of the executive director in his absence or disability. The director pro tem shall take and file the official oath required of the executive director.

(5) All documents which must be executed by or on behalf of the board shall be signed *only* by the executive director or, in the event of his absence or disability, by the director pro tem * * * *unless the trustees or the executive director require the countersignature of an investment director on certain documents.*

SECTION 10. 25.17 (1) (g), (p), (v), (3) (a) (b) and (c) of the statutes are amended to read:

25.17 (1) (g) General fund (*s. 25.20*), including trust funds of the state historical society * * * (*s. 44.01*);

(p) Soldiers rehabilitation * * * fund (ss. 25.281, 45.38 (5));

(v) State teachers retirement fund system (ss. 25.28, * * * *42.20 to 42.54*);

(3) (a) To invest any of the following funds: 1. Conservation wardens pension fund; 2. * * * State life fund; * * * 3. State teachers retirement fund system; * * * 4. Milwaukee teachers retirement fund; * * * 5. Wisconsin retirement fund, in loans, securities and any other investments authorized by s. 206.34, *and in bonds or other evidences of indebtedness or preferred stock of companies engaged in the finance business whether as direct lenders or as holding companies owning subsidiaries engaged in the finance business, provided such investments meet all other requirements of s. 206.34. Such investments previously permitted by s. 206.34 (1) (m) or sub. (4) are deemed to be permitted investments under this subsection.*

(b) To invest the funds included in the state investment fund created by s. 25.14 and the surplus funds of the state building trust fund not currently invested under sub. (2) (b) *and not in the state investment fund in the bonds or other evidences of indebtedness of the United States and agencies thereof provided that the maturity of such investments * * * shall not exceed 5 years from the date of the respective investment and in notes of domestic financial and industrial corporations, maturing in not more than 12 months, provided that any debt securities of such financial corporations are rated A or higher by 2 nationally recognized bond rating services and that any debt securities of such industrial corporations are rated higher than A by 3 nationally recognized bond rating services.*

(c) To have exclusive control of the investment and collection of the principal and interest of all funds of the state historical society which are available for investment as determined by said society. The board may dispose of said investments and any other securities placed under its control by the state historical society when in the judgment of the board it is for the best interest of the society to do so. The board may invest those funds of the society which are available for investment * * * under the * * * provisions of * * * *ch. 320.*

SECTION 10a. 25.17 (4) of the statutes is amended to read:

25.17 (4) To invest the funds of the state teachers retirement system, the Wisconsin retirement fund and each teachers annuity and retirement fund created under s. 38.24 in loans, securities or investments in addition to those permitted by any other section of the statutes, but the aggregate of the loans, securities and investments made under this subsection shall not exceed 15 per cent of the admitted assets of each of said funds. * * *

SECTION 11. 25.17 (5) of the statutes is renumbered 25.18 (1) (b).

SECTION 11a. 25.17 (10) of the statutes is renumbered 25.18 (1) (c) and amended to read:

25.18 (1) (c) To secure insurance against burglary, robbery or theft on any of the * * * securities owned or held by the board or any of the funds under its management.

SECTION 12. 25.17 (11) of the statutes is repealed.

SECTION 13. 25.17 (14) (intro. par.), (a) 2, (b), (d) and (15) of the statutes are amended to read:

25.17 (14) (intro. par.) The state teachers retirement system, the Wisconsin retirement fund, and each teachers annuity and retirement fund in cities of the first class shall annually, within a reasonable time after * * * *the respective fiscal year end of each*, make and file with the state of Wisconsin investment board a report of the value of the assets of such fund determined as of the last preceding * * * *fiscal year end* upon the following basis:

(a) 2. If purchased above or below par, at the purchase price adjusted, as of said * * * *fiscal year end*, so as to bring the value to par at maturity and so as to yield in the meantime the effective rate of interest at which the purchase was made.

(b) Any amounts due as of said * * * *fiscal year end* as the balance payable from any participating municipality for prior service obligation, at the face value thereof on said date.

(d) Real property which is leased to others by long term lease shall be valued at the cost of the property adjusted, as of said * * * *fiscal year end*, so as to bring the cost at the end of the primary term of the lease to such amount as was determined and established by the state of Wisconsin investment board at the time of making the investment, or subsequently, or if no such amount was so determined and fixed (at the time of making the investment or subsequently) then to zero, and so as to yield in the meantime the effective rate of interest at which the investment was made.

(15) For purposes of the power and authority of the state of Wisconsin investment board to make investments the "admitted assets" of a fund shall be the total valuation of the assets of such fund, other than common stocks, as set forth in the last report made and filed by said fund with the state of Wisconsin investment board pursuant to sub. (14), plus the purchase price of any investments, other than common stocks, made for said fund by said board subsequent to the last * * * *fiscal year end* for which a valuation report has been filed by the fund with the board, minus the admitted asset value of any investment sold, other than common stocks, of said fund by said board subsequent to the last * * * *fiscal year end* for which a valuation report has been filed by the fund with the board, plus the market value of the common stocks of the fund on the last day of the preceding month. Any percentage limitation or permission respecting the power and authority of the state of Wisconsin investment board to make investments shall be calculated as each occasion for investment occurs and upon the "admitted assets" of the fund at that time.

SECTION 14. 25.17 (51), (61) and (62) of the statutes are created to read:

25.17 (51) To have the records and accounts of the board audited at least annually by the department of state audit.

(61) To designate public depositories for the deposit of public moneys, as defined in s. 34.01 (5), coming into the hands of the state treasurer; allocate the deposits of all public moneys coming into the hands of the state treasurer, and limit the amount of such public moneys, as determined from

the state treasurer's records, which may be deposited in any public depository so designated. It shall have all the powers and duties with relation to the state treasurer and state moneys that are herein granted and imposed upon other governing boards by ch. 34, and only such banks as have been named by the state of Wisconsin investment board as working banks shall carry state deposits on which checks are drawn to conduct the daily business of the state, all of which deposits shall be payable on demand. The board may designate banks as special depositories in which the state treasurer may make special deposits of funds, not exceeding the amount limited by the board, which are not currently needed for the conduct of the daily business of the state as determined by the board, which special deposits shall be deposited subject to such bank's rules and regulations relative to either savings accounts, time certificates of deposit or open time accounts, as the case may be. Public depositories heretofore designated as state depositories shall continue as such until further action by the board.

(62) To prescribe rules in connection with payment of federal income taxes required to be deducted and withheld by any state agency from wages and salaries pursuant to section 1622 of the internal revenue code and the dates on which such payments shall be made, and to designate any qualified depositories for federal taxes as depositories of such funds.

SECTION 15. 25.18 (1) of the statutes is amended to read:

25.18 (1) In addition to the powers and duties enumerated in s. 25.17 the state of Wisconsin investment board shall have power *and authority* to * * * :

SECTION 16. 25.18 (2) of the statutes is renumbered 25.18 (1) (a) and amended to read:

25.18 (1) (a) * * * Employ special *legal or investment* counsel in any * * * matters arising out of the scope of its investment authority. *The employment of special legal counsel shall be with the advice and consent of the attorney general whenever such special counsel is to be compensated by the board.* Any expense of counsel so employed shall be borne by the fund for which the services shall be furnished.

SECTION 17. 25.18 (1) (d) of the statutes is created to read:

25.18 (1) (d) To liquidate or cause to be liquidated any corporation 100 per cent of whose common stock is owned by the board.

SECTION 18. 34.01 (4) and (6) of the statutes are amended to read:

34.01 (4) "Governing board" * * * *means the state of Wisconsin investment board in the case of the state, the county board or committee designated by the county board to designate public depositories in the case of a county, the city council in the case of a city, the village board in case of a village, the town board in case of a town, the school board in the case of a school district, the judge or board of judges in case of any court in this state, and any other commission, committee, board or officer of any governmental subdivision of the state not hereinbefore mentioned.*

(6) "Loss" * * * *means any loss of public moneys, which have been deposited in a designated public depository in accordance with this chapter and upon which the required payment has been made into the state deposit fund, resulting from the failure of any public depository to repay to any public depositor the full amount of its deposit because the commissioner of banks or the comptroller of currency has taken possession of such public depository or because such public depository has, with the consent and approval of the commissioner of banks * * * adopted a stabilization and readjustment plan or has sold a part or all of its assets to another bank which has agreed to pay a part or all of the deposit liability on a deferred pay-*

ment basis or because such depository is prevented from paying out old deposits because of rules * * * of the commissioner of banks or the comptroller of the currency.

SECTION 19. 34.026 of the statutes is amended to read:

34.026 Where any part of funds deposited by any public depositor, as defined by s. 34.01 (3), shall consist of privately owned trust funds, the state, county, town, city or village, by appropriate action of its governing body, or the governing body of any other such public depositor defined by such section, may assume and pay, as an item of general expense, all * * * charges collected from such trust fund by any public depository and paid to the * * * *commissioner of banks* under * * * this chapter.

SECTION 20. 34.03 (1) (intro. par.) of the statutes is amended to read:

34.03 POWERS OF THE COMMISSIONER OF BANKS. (1) The * * * *commissioner of banks* shall have power:

SECTION 21. 34.03 (1) (c) of the statutes is renumbered 25.17 (63) and amended to read:

25.17 (63) To fix the rates of interest to be paid by public depositories on active deposits and special deposits of the state treasurer. Such rates of interest shall be based upon the size and activity of public deposits and shall take into consideration the net return to banks on sound investments. Rates of interest fixed as provided herein shall be * * * paid *uniformly* by all public depositories on all public deposits unless the payment of interest on such deposits is prohibited under any act of congress or any rule or regulation of any federal agency having supervision over such public depository, and such public deposits shall be subject to no charge other than the amount required to be paid into the state deposit fund * * *. Any public depository which refuses, neglects or by subterfuge avoids payment of interest on public deposits in accordance with the fixed rates shall be excluded from the right to receive and hold public deposits. Inactive deposits other than special deposits of the state treasurer shall bear the same rates of interest * * * as are paid by such public depository on time accounts.

SECTION 22. 34.03 (1) (d), (f) and (i) of the statutes are amended to read:

34.03 (1) (d) To fix the rate of payment into the state deposit fund, based on the standard that the state deposit fund should have sufficient reserves to enable it to promptly pay all losses likely to occur, but that the charge to public depositors should be no higher than is necessary for this purpose; provided, that if the * * * *commissioner of banks obtains advances* and * * * *pledges* a part or all of the payments hereunder required to be made into the state deposit fund, then the rate of payment in effect at the time such loan is negotiated shall remain in full force * * * until such loan is fully repaid;

(f) To require any public depository * * * or the trustees of segregated trusts created by banks for the benefit of depositors to furnish such information as the * * * *commissioner of banks requests*. Any public depository which * * * *refuses or neglects* to give any information so requested shall be excluded from the right to receive public deposits;

(i) To take such action as the * * * *commissioner of banks* in its discretion * * * *deems* best for the protection, collection, compromise or settlement of any claim against or in favor of the state deposit fund;

SECTION 23. 34.03 (1) (j) of the statutes is repealed.

SECTION 24. 34.03 (1) (L) of the statutes is amended to read:

34.03 (1) (L) In addition to the powers expressly conferred, the * * * *commissioner of banks* shall have all powers reasonably necessary and proper to the full and complete performance of * * * *his functions under this chapter*, including but not limited to ordinary powers granted corporations;

SECTION 25. 34.04 (1) and (3) of the statutes are amended to read:

34.04 ORDERS OF COMMISSIONER OF BANKS. (1) The * * * *commissioner of banks* prior to the issuance of any general order fixing the * * * rate of payment into the state deposit fund or any other order of general application, shall hold a public hearing.

(3) Any order of the * * * *commissioner of banks* shall be subject to review * * * as provided in ch. * * * 220.

SECTION 26. 34.05 (1), (2) and (4) of the statutes are amended to read:

34.05 (1) The governing board of each public depositor shall, by resolution, certified copy of which shall be filed with the * * * *commissioner of banks*, designate one or more banks, banking institutions, or trust companies, organized and doing business under the Wisconsin or United States laws, located in Wisconsin, which have been approved by the * * * *commissioner of banks* as qualified to become public depositories, in which the treasurer of such governing board shall deposit all public moneys coming into his hands. A designation of a public depository by the governing board shall be a designation of such public depository for all treasurers of such governing board and for all public depositors for which each such treasurer shall act.

(2) Whenever any governing board * * * *fails or refuses* to designate a public depository the treasurer thereof, after notice in writing to each member of the governing board and subject to further action of the governing board, may designate public depositories to act as such for not exceeding 90 days in the same manner as if designated by such governing board, and shall immediately certify such designations to the * * * *commissioner of banks*.

(4) If any governing board * * * *refuses or neglects* to comply with * * * sub. (1), or if on such refusal or neglect on the part of the governing board, the treasurer * * * *refuses or neglects* to comply with * * * sub. (2), or if any governing board * * * *authorizes* its treasurer to retain funds of the municipality in his hands other than such amounts as are now authorized by statute or to deposit such funds in a bank located without this state except as approved by the * * * *commissioner of banks*, or by any other act of omission or commission * * * *attempts* to evade the provisions of this chapter, then such municipality shall pay into the state deposit fund an amount equal to the amount required to be paid into the state deposit fund if such funds had been deposited according to * * * this chapter, plus a penalty equal to 25 per cent of such required payment.

SECTION 27. 34.08 (1) (a), (2) and (3) (a) of the statutes are amended to read:

34.08 (1) (a) Payments * * * as required by this chapter shall * * * constitute the state deposit fund. Such fund shall be used for the payment to public depositors of losses as defined by s. 34.01 (6), the repayment of any sums * * * *advanced to the commissioner of banks* for the purpose of paying losses required to be paid out of such fund, and for the payment of administrative expenses under s. * * * 20,200 (72). * * * On July 1, 1955, * * * *such fund* shall be discontinued and the balance therein shall be trans-

ferred to the general fund. Any payments made by public depositors after July 1, 1955, pursuant to * * * this chapter shall reconstitute the state deposit fund and shall be used to make any payments for losses, expenses of administration or reinsurance after the sum transferred to the general fund plus interest is exhausted. On satisfactory proof of loss, the * * * *commissioner of banks* shall direct the department of administration to draw its warrant payable from the state deposit fund in payment of such loss as provided in this chapter, and the state treasurer shall promptly pay such warrant out of moneys in his hands to the credit of the state deposit fund.

(2) Every bank receiving or having any public funds on deposit, shall on the last day of March, June, September and December in each year pay into the state deposit fund at the per cent rate per year on the average daily balance of such deposits so deposited with it for the preceding 3 months' period as fixed by the * * * *commissioner of banks*, such sum to be collected by the depository from the depositors. As used in this section 90 days shall constitute a 3 months' or quarterly period and the average daily balance base shall be the average of such public fund deposit as of the close of business 3 days each month or a total of 9 days for each 3 months' or quarterly period as determined by the * * * *commissioner of banks* on or before the last day of each quarterly period for which the report is due. The * * * *commissioner of banks* shall notify all public depositories of the dates selected and said depositories shall render reports in conformity therewith on blank forms which shall be furnished by the * * * *commissioner of banks*. Any public depository which * * * *refuses or neglects* to make such report and remittance to the * * * *commissioner of banks* within 15 days after its due date shall pay into the state deposit fund the sum of \$5 for each and every day of tardiness in excess of 15 days. * * * *If* the amount required to be paid into the state deposit fund on any given public deposit * * * *is* greater than the interest earned on such public deposits, then the public depository is hereby authorized to deduct the difference from the principal of such public deposit. * * * *If* the amount required to be paid into the state deposit fund on private funds held in trust by a public officer for private persons, corporations or associations of individuals * * * *is* greater than the net interest received, then the public depositor is hereby authorized to deduct the difference from the principal of such private fund. Amounts due the state deposit fund for the quarter in which a loss occurs shall be deducted before payment of such claim.

(3) (a) Losses as defined by s. 34.01 (6) shall become fixed as of the date the loss occurs and shall be paid prorata based on the original loss out of the state deposit fund without interest, as rapidly as sufficient funds are available in the state deposit fund to permit a payment of not less than 5 per cent except in case of final payment. Any funds received by the * * * *commissioner of banks as an advance* shall be paid prorata to all public depositors whose interest in claims against public depositories are pledged to secure such loans. Claims having a balance of \$500 or less shall be paid in full at the time of the making of the next succeeding payment of claims from the public deposit fund. On the occurrence of a loss as defined in s. 34.01 (6) each public depositor suffering such a loss shall within 60 days thereafter assign all its interest in such deposit to the state deposit fund and on failure so to do shall forfeit all right of claim against the state deposit fund.

SECTION 28. 34.09 of the statutes is amended to read:

34.09 Every state bank, savings and trust company and mutual savings bank and every national bank located in this state which * * * *files* with the * * * *commissioner of banks* an agreement that it will pay over to the state deposit fund the amounts required to be paid on average daily balances of public deposits under s. 34.08 (2) and * * * *complies* in all respects as to

public deposits with * * * ch. 34 and which meets the qualifications required by the rules * * * of the * * * *commissioner of banks*, may be designated as a public depository and may receive and hold public deposits, subject to * * * this chapter, in an amount not in excess of the amount specified by the * * * *commissioner of banks*. The * * * *commissioner of banks*, upon request, shall advise any interested persons what banks have qualified to become public depositories and any such bank may thereafter be designated by any governing board as a public depository. The * * * *commissioner of banks* shall have the same powers and duties with regard to making and continuing public deposits in national banks as the powers and duties exercised and performed by it with regard to public deposits in state banks.

SECTION 29. 34.10 of the statutes is amended to read:

34.10 Whenever the commissioner of banks or the comptroller of the currency with a view of restoring the solvency of any bank of which he has taken charge, pursuant to law, or with a view of stabilizing and readjusting the banking structure of any national or state banking institution located in this state, shall approve a reorganization plan or a stabilization and readjustment agreement entered into between such bank and depositors and unsecured creditors, or when a bank, with the approval of the commissioner of banks or comptroller of currency proposes to sell its assets to another bank which agrees to assume a part or all of the deposit liability of such selling bank and to pay the same on a deferred payment basis, the governing board of such public depository may, on the approval of the * * * *commissioner of banks*, join in the execution of any reorganization plan, or any stabilization and readjustment agreement, or any depositor's agreement relative to a proposed sale of assets if, in its judgment and that of the * * * *commissioner of banks*, such reorganization plan or stabilization and readjustment agreement or proposed sale of assets is in the best interest of all persons concerned. The joining in any such reorganization plan, or any stabilization and readjustment agreement, or any proposed sale of assets which meets the approval of the * * * *commissioner of banks* shall not operate as a waiver of any rights arising under this chapter.

SECTION 30. 34.11 of the statutes is amended to read:

34.11 Any person who * * * wilfully * * * *violates* any provisions of ss. 34.01 to 34.10, or any orders * * * or rules * * * promulgated by the * * * *commissioner of banks* under * * * said sections, shall be guilty of a misdemeanor and for each * * * such offense shall, upon conviction thereof, be * * * *fined* not more than \$500 or * * * *imprisoned* not more than 6 months, or * * * both * * *.

SECTION 31. 66.04 (2) of the statutes is amended to read:

66.04 (2) Any county, city, village, town, school district, drainage district or other governing board as defined by s. 34.01 (4) may invest any of its funds, not immediately needed, in time deposits in any bank, savings bank or trust company which is authorized to transact business in Wisconsin, such time deposits maturing in not more than one year, or in bonds or securities issued or guaranteed as to principal and interest of the United States government, or of a commission, board or other instrumentality of the United States government, or bonds or securities of any county, city, drainage district, village, town or school district of this state, or in the case of a town, city or village in any bonds or securities issued under the authority of such municipality, whether the same create a general municipality liability or a liability of the property owners of such municipality for special improvements made therein, and may sell or hypothecate the same. Cemetery perpetual care funds, pension funds under s. 62.13 (9) or (10),

or endowment funds including gifts where the principal is to be kept intact, may also be invested * * * *under ch. 320.*

SECTION 32. The appropriation made by section 20.480 (1) of the statutes, as affected by the laws of 1961, is increased by the following amounts:

Investment board		1961-62	1962-63
General administration	20.480 (1)	\$ 1,800	\$ 1,800

to supplement the appropriation for personal services.

SECTION 33. TEMPORARY APPROPRIATION TO INVESTMENT BOARD. If the executive budget bill (Bill No. 111, A., of 1961), is not enacted into law by June 30, 1961, the amounts appropriated to the investment board for 1960-61 are appropriated for 1961-62 until superseded by the appropriations made by ch. 191, laws of 1961 (Bill No. 111, A.)

SECTION 34. TRANSITIONAL PROVISIONS. After the effective date of this act all the duties transferred by this act to the commissioner of banks from the investment board shall be performed by the commissioner of banks.

(1) All the rules and orders of the investment board in force immediately prior to the transfer shall remain in force as orders of the commissioner of banks until modified or rescinded by him.

(2) All matters pending before the investment board and all actions, proceedings and investigations begun but not completed, relating to the functions transferred, shall be completed by the commissioner of banks.

(3) All books, properties and documents, relating to the functions transferred, shall be transferred to the commissioner of banks.

(4) All appointments and delegations of authority by the members of the investment board existing on the effective date of this act shall continue in effect until altered by the trustees.

Approved September 20, 1961.
