## **1995 SENATE BILL 47**

January 31, 1995 – Introduced by Senators Farrow, Darling, Huelsman, Buettner and Panzer, cosponsored by Representatives Green, Goetsch, Musser, Silbaugh, Owens, Lazich and Ladwig. Referred to Committee on Transportation, Agriculture and Local Affairs.

AN ACT to amend 66.04 (2m) (intro.), 66.04 (2m) (a) and 66.04 (2m) (b); and to create 66.04 (2m) (ae) and 66.04 (2m) (am) of the statutes; relating to: the delegation of investment authority by a city, village, town, county, school district or other local unit of government.

## Analysis by the Legislative Reference Bureau

Under current law, a city, village, town, county, school district, drainage district or other local unit of government may delegate the investment authority over any of its funds not immediately needed to certain banks or trust companies if the institution is authorized to exercise trust powers and if the governing body of the local unit of government annually reviews the institution's performance and annually renews the investment agreement with the institution.

This bill authorizes a local unit of government to delegate the investment authority over such funds to an investment adviser if the adviser is registered in this state and with the federal securities and exchange commission and if the adviser has at least \$500,000,000 of assets under management. The current law requirements of annual review of performance and renewal of the agreement apply to an investment adviser.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

66.04 (2m) Delegation of investment authority. (intro.) Any county, city,
village, town, school district, drainage district, technical college district or other
governing board, as defined in s. 34.01 (1), may delegate the investment authority
over any of its funds not immediately needed to <u>an investment adviser or to</u> a state
or national bank, or trust company, which is authorized to transact business in this
state if all of the following conditions are met:
<b>Section 2.</b> 66.04 (2m) (a) of the statutes is amended to read:
66.04 (2m) (a) The institution, if it is a state or national bank, or trust company,
is authorized to exercise trust powers under s. 221.04 (6) or ch. 223.
<b>Section 3.</b> 66.04 (2m) (ae) of the statutes is created to read:
66.04 (2m) (ae) The governing body solicits alternative proposals for the
services of an investment advisor before selecting one.
<b>Section 4.</b> 66.04 (2m) (am) of the statutes is created to read:
66.04 (2m) (am) The investment adviser is registered under subch. III of ch.
$551$ and under $15$ USC $80b-1$ to $80b-21$ and has at least $\$500,\!000,\!000$ of assets under
management.
<b>Section 5.</b> 66.04 (2m) (b) of the statutes is amended to read:
66.04 (2m) (b) The governing board renews annually the investment
agreement under which it delegates its investment authority, and reviews annually
the performance of the institution or investment adviser with which its funds are
invested.

(END)